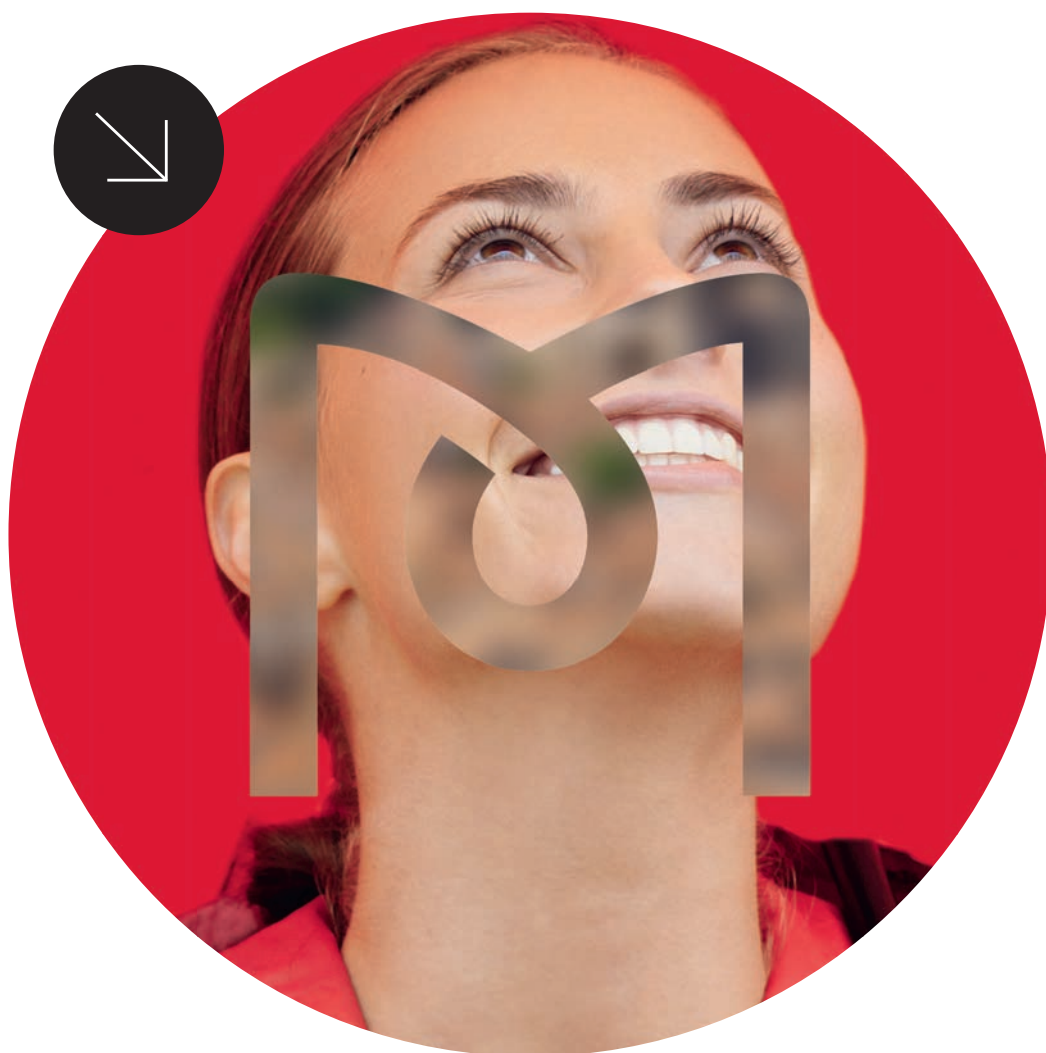


MERCIALYS



2024 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT, THE INTEGRATED REPORT
AND THE EXTRA-FINANCIAL PERFORMANCE STATEMENT

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The Universal Registration Document from the **www.mercialys.com** website can be consulted and downloaded

MERCIALYS



2024 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE INTEGRATED REPORT

This Universal Registration Document is a reproduction of the official version of the Universal Registration Document including the 2024 annual financial report, which was drawn up in ESEF format (European Single Electronic Format).



The Universal Registration Document was filed on March 12, 2025, with the French Financial Markets Authority (AMF) as the competent authority in accordance with Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation. The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is accompanied by an offering circular, or securities note, and, where applicable, a summary and all the amendments made to the Universal Registration Document. The entirety thus constituted is approved by the AMF in accordance with Regulation (EU) 2017/1129.

FINANCIAL CALENDAR

April 28, 2025⁽¹⁾

2025 first-quarter activity

April 29, 2025

Annual General Meeting

May 2, 2025⁽²⁾

Ex-dividend date

May 6, 2025⁽²⁾

Dividend payment

July 24, 2025⁽¹⁾

2025 first-half results

July 25, 2025

Financial information meeting

October 16, 2025⁽¹⁾

Activity at end-September 2025

Important information

This integrated report is modeled on the reference framework established by the International Integrated Reporting Council (IIRC). It covers all of Mercialys' consolidated entities and naturally contains forward-looking data and information.

This document contains certain forward-looking statements regarding future events, trends, projects or targets. These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause Mercialys' actual results and strategy to differ materially from those anticipated in or based on these forward-looking statements.

Please refer to Mercialys' Universal Registration Document for the year ended December 31, 2024, available on the Company's website (www.mercialys.com), and specifically Section 5 "Risk factors", for a description of the main risk factors and uncertainties that could affect Mercialys' business.

Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, in case of future events or any other circumstances that might cause these statements to be revised.

⁽¹⁾ After market close.

⁽²⁾ Subject to approval at the Annual General Meeting on April 29, 2025.

MESSAGE FROM THE CHAIRMAN, ÉRIC LE GENTIL

2024 was characterized by serious weather-related events, an unstable political context in France and persistent geopolitical tensions, as well as a major step forward with the realignment of the competitive landscape for food retail in France. Building on its solid fundamentals in this constantly changing environment, Mercialis is once again proving its ability to maintain a trajectory for growth with its results and sustained returns, fully aligned with its mission as a listed real estate company.

Dear stakeholders,

At the crossroads between the long-term horizon of real estate and the regular performance demands of being listed on the stock market, Mercialis has responded to its shareholders' confidence with robust operational and financial results, a balanced balance sheet and a dividend of Euro 1 per share, offering a return of nearly 10% on the end-2024 share price.

These performances reflect the ongoing work accomplished by our teams, who develop their real estate know-how and expertise. Far from the image of a rigid sector, the teams ensure that they constantly adapt to the changing needs of retailers, whose dynamic development is supported by spaces, facilities, activities and events, and customer knowledge that successfully evolve and accompany them. To these teams, I would like to express my own gratitude and that of the Board of Directors.

As I mentioned to you last year, 2024 was a pivotal year for Mercialis, shaped by the realignment of the food retail sector in France. Your Company stands out by owning hypermarkets, which offer a

foundation of indexed revenues and exposure to an essential need for French consumers.

Mercialys' rental exposure to this segment has been widely diversified and consolidated. Your Company is now a partner of leading retailers, such as Auchan, Intermarché and Carrefour, which will help to enhance footfall levels in its adjacent shopping centers.

The balance sheet, further strengthened through the successful arbitrage policy rolled out in 2024, will be capitalized on from 2025 to support future growth. Your Company's investment decisions in 2025 will be guided primarily by a sustainable return, combined with the relevance of the geographical positioning around dynamic regional urban hubs and a current or future leading position in their catchment area, as well as environmental features that are aligned with Mercialis' objectives.

Lastly, we are moving forward with our ambitious commitment, in your name, to corporate social responsibility. This is illustrated by the process underway to certify our revised carbon trajectory, helping build a carbon neutral future. This ambition aims to reduce

our activity's pressure on the environment, while lowering operating costs for our retailers. This involves reducing energy and water consumption levels, improving the sorting of waste, engaging with local providers, and offering a responsible selection of stores and services. Our CSR performance was once again recognized with several industry awards, including Mercialis' score of 91/100 in the Global Real Estate Sustainability Benchmark (GRESB), as well as its Green Star 5 stars status, the highest category in this ranking. In 2025, Mercialis will continue moving forward with its CSR policy 4 Fair Impacts for 2030, in synergy with its financial performance.

Yours sincerely,

Éric Le Gentil

Chairman of the Board of Directors

QUESTIONS

FOR THE LEADERSHIP TEAM



€113.1^M

net recurrent earnings



€1.00

dividend per share



€2,761.2^M

portfolio value
(including transfer taxes)

IS THE COMPANY BEING IMPACTED BY THE POLITICAL AND FISCAL SITUATION IN FRANCE?

In 2024, France's turbulent political climate and the deteriorating national fiscal situation had an indirect impact for Mercialis. For instance, this environment led to a widening of bond spreads for companies exposed to France, as well as increased volatility in both long- and short-term interest rates. However, despite these trends, the Company successfully completed two refinancing operations in September 2024. They highlighted Mercialis' appeal for bond investors, enabling the Company to extend the duration and optimize the cost of its debt, with a very satisfactory level of 2.0% recorded at the end of 2024.

Despite this context, consumer spending in France remained resilient in 2024, with Mercialis' specific positioning around a price-conscious retail offering, which has proven its relevance across various cycles. In 2024, this business model responded to the demand for "shopping for pleasure" combined with price constraints, following several years of inflation. This is shown by the strong trend for footfall at Mercialis' sites, reflected in a +2.1% increase in retailer sales. Also illustrating the strength of Mercialis' fundamentals, the vacancy rate was limited to 4.1% of which only 2.9% in financial vacancy end 2024, which is effectively under control and its lowest level since 2019. This robust

rental performance, combined with investments in real estate formats, is expected to pave the way for reversion potential to be built up again over the medium term, following on from the sustained indexation seen since 2022.

A FEW MONTHS AFTER THE OPENING OF THE HYPERMARKETS TAKEN OVER BY AUCHAN, INTERMARCHÉ AND CARREFOUR, WHAT ARE THE RESULTS FOR MERCIALYS?

Operations at the hypermarkets owned by Mercialis have been successfully taken over by Auchan, Intermarché and Carrefour. This has led to strong footfall growth across the sites and a more attractive positioning for non-food retailers at these shopping centers that have now been realigned around these food anchors.

At the same time, the Company has significantly improved the diversification of its rental income, which is now optimized around these three operators.

Since it was founded, Mercialis has shown the benefits of owning hypermarkets, not only for their contribution through indexed revenues, but also for their synergies with the adjacent shopping centers. These synergies include customer knowledge, visibility within the catchment area, site animations, and the potential restructuring of space to create additional rental income.

WHAT IS MERCIALYS' STRATEGY FOR GROWTH AND WHAT IS THE TIMEFRAME?

First of all, Mercialis can capitalize on its potential for organic growth, which has been achieved on a consistent basis, with an average of +3.8% over the last four years and +3.9% for 2024.

Alongside this, in a very capital-intensive sector, where the liquidity of the balance sheet and the effective management of the level of debt are crucial, Mercialis has maintained its financial balances throughout the health crisis and the rise in interest rates, which have impacted its asset appraisal values.

Following further success with its arbitrage policy in 2024, the Company has headroom for investments in its project pipeline or acquisitions of existing retail assets from 2025. These investments will be highly selective, targeting a minimum yield of 7%.

Through its interest in the investment management company ImocomPartners, which was raised to 100% during the first semester of 2025, Mercialis will also benefit from an additional source of growth.

MERCIALYS

ESSENTIALS

Founded in 2005, Mercialys is one of the leading real estate companies in France and Europe. Further strengthening the attractive positioning of its shopping centers and optimizing their value by continuously adapting their offers and formats, and supporting its partner retailers to anticipate consumer trends are at the heart of the Company's strategy.

OUR VISION

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

OUR MISSION

Satisfying the day-to-day needs of as many people as possible

OUR VALUES

Proximity
Agility
Commitment
Innovation

Mercialys' portfolio is made up of 44 shopping centers⁽¹⁾ with over 700,000 sq.m of space. The Company's assets are home to more than 800 international, national and local retailers, attracting more than 110 million visitors each year.

Mercialys' asset portfolio is made up primarily of leading retail sites, located in mainland France and on Reunion Island. The Company is continuing to realign its portfolio in key geographical hubs centered around vibrant urban areas with demographic and income trends that are higher than the national average. These shopping centers on a human scale are fully aligned with the demands for everyday retail.

Looking beyond the intrinsic quality of Mercialys' portfolio and the buoyant underlying socioeconomic factors, the Company is developing a proactive portfolio management approach, while capitalizing on its entire range of expertise, from asset management to lettings, operations, physical and digital marketing, and CSR, to further strengthen their appeal.



44

SHOPPING
CENTERS



€2,761^M

PORTFOLIO VALUE
(INCLUDING TRANSFER
TAXES)



€113^M

NET RECURRENT
EARNINGS



177

EMPLOYEES



700,000 sq.m

GROSS LEASABLE AREA



1,900

COMMERCIAL
LEASES

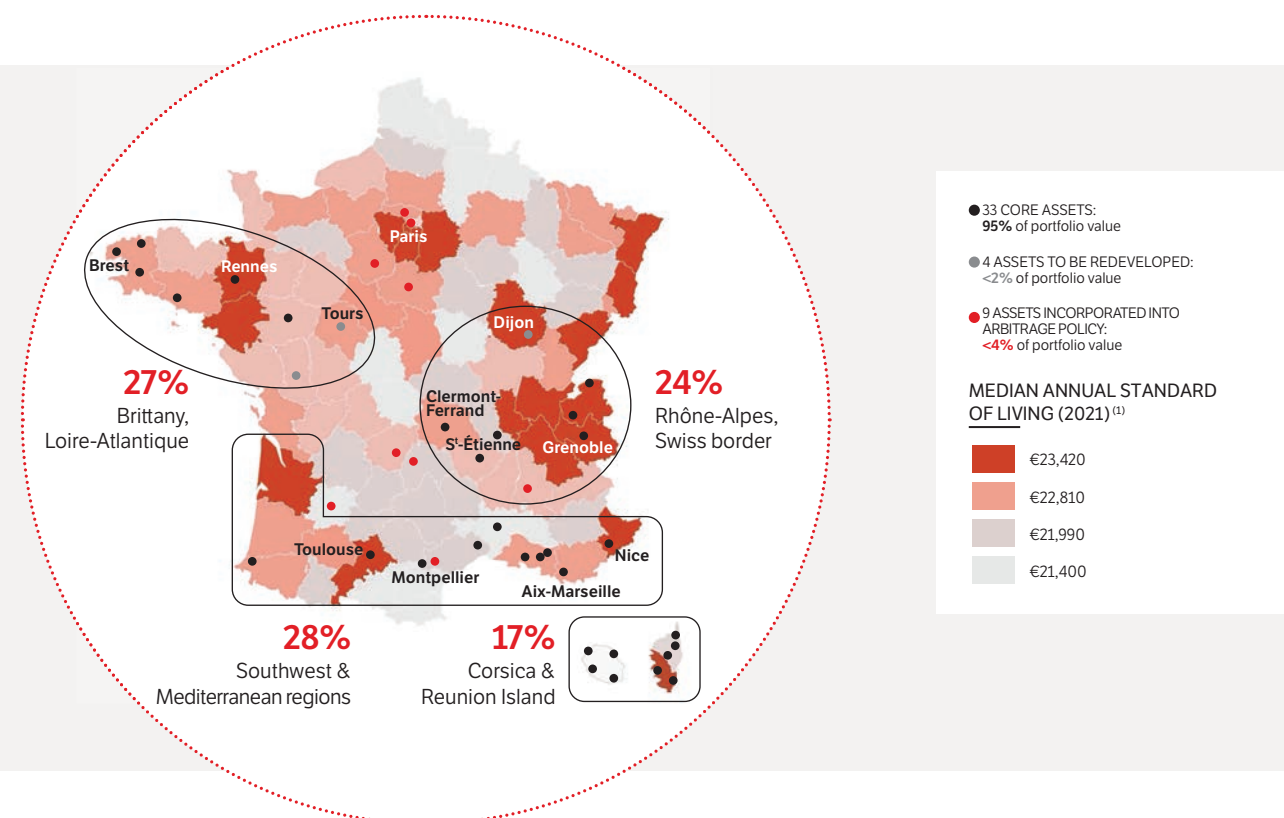
In-house activities.

Mercialys has a flexible, multi-local operational organization. It is structured around central functions, located at the Paris headquarters and Saint-Étienne site, that regularly carry out work on the centers, and operational teams, which represent 53% of the workforce and are permanently located at the sites.

There is at least one center manager for each site, overseen by a regional director. Mercialys has expertise across the entire retail real estate value chain since it brought back in-house the rental and technical management of its centers at the end of 2022.

⁽¹⁾ In addition to two geographically dispersed assets.

Mercialys' four strategic geographical areas



In 2024, Mercialis sold two centers under 5,000 sq.m in Montauban and Rodez, as well as its residual lots at the Millau site, which were no longer aligned with the Company's development strategy. Following these operations, Mercialis' portfolio comprised 46 assets, with 33 strategic assets, representing 95% of its portfolio value, positioned in the four strategic geographical hubs identified by the Company. Four sites (Tours, Dijon-Chenôve, Niort and Saint-André) will be subject to major redevelopments and represent around 2% of the portfolio. Lastly, nine sites, representing less than 4% of the value of the Company's assets, will be incorporated into the arbitrage policy over the medium term due to their geographical and competitive

positioning, in order to focus the Company's asset management and lettings efforts on its priority assets.

Alongside this, Mercialis applies a proactive development strategy, reallocating the proceeds from the disposal of its assets that have reached maturity to support its development project pipeline or acquire assets, while safeguarding its balance sheet positions.

At end-2024, the Company had a Euro 417 million project pipeline for the period from 2025 to 2029. This pipeline is constantly reviewed in order to ensure the relevance of the projects and their expected profitability. The same profitability requirements are applied for external growth, with a target yield of at least

7.0%. As it did not identify any targets that met this demanding profitability criterion, the Company did not acquire any assets last year.

As a leading retail real estate company, Mercialis interacts with retailers, end clients, public authorities and local non-profit organizations, and plays a key role in terms of achieving a balanced urban ecosystem. In line with this economic and societal responsibility, the Company is committed to listening to its stakeholders and operating with the greatest respect for ethics and compliance principles at all times.

(1) Source: INSEE

ROBUST BUSINESS MODEL THROUGH THE CYCLES

Mercialys is continuously transforming its retail offering and real estate assets to ensure increasingly close alignment with its clients' expectations. This strategy enables it to generate sustainable rental revenues, while respecting the environment. Built around six types of resources, Mercialys' business model is focused on creating both financial and sustainability-based value for all of its stakeholders.

Resources serving the strategy

➤ Virtuous circle of activities

► ORGANIZATIONAL AND GOVERNANCE RESOURCES

- Organizational capital, perfectly reflected in the Company's four values: proximity, agility, commitment and innovation;
- Board of Directors aligned with best practices for independence and gender parity.

► HUMAN RESOURCES

- **177** expert staff;
- **59%** women;
- **37.5** average age;
- **73%** management-grade employees.

► INTELLECTUAL AND TECHNOLOGICAL RESOURCES

- Intangible capital, including Mercialys' digital ecosystem, with over **600,000** qualified clients in its databases.

► FINANCIAL RESOURCES

- €385m of undrawn financial resources;
- Resilient financial profile:
 - **2.0%** ⁽¹⁾ average cost of drawn debt,
 - **3.8 years** average maturity of drawn debt,
 - **38.2%** LTV excluding transfer taxes ⁽²⁾,
 - **5.5x** ICR ⁽³⁾,
 - **6.8x** net debt / EBITDA.

► LAND RESOURCES

- **€417m** of development projects for 2025-2029;
- **26** assets concerned, representing **57%** of the number of assets in the portfolio ⁽⁴⁾.

► ENVIRONMENTAL RESOURCES

- **100%** of the strategic portfolio in value terms BREEAM In-Use certified;
- **34,000 MWh** of energy consumed;
- **117,000 m³** of drinking water consumed.

HANDLING RENTAL
AND TECHNICAL
MANAGEMENT

MANAGING SITES
AND PROVIDING
INNOVATIVE SERVICES
AND OFFERINGS
FOR RETAILERS AND
VISITORS

OUR STRATEGY

#01

POSITIONING
FOCUSED ON THE MOST
DYNAMIC GEOGRAPHICAL
AREAS

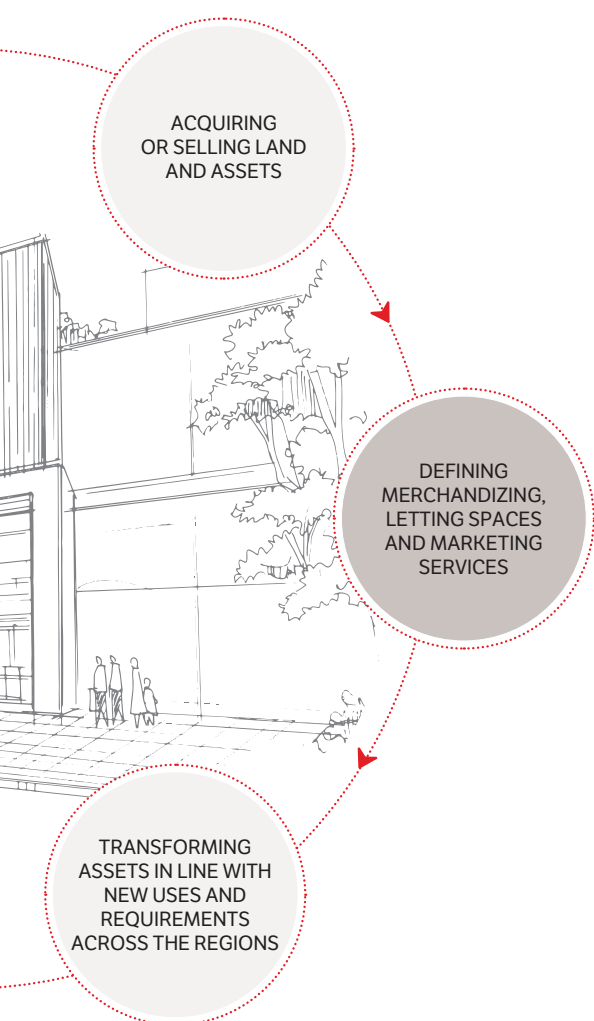
#02

RETAIL MIX ADAPTED
FOR RECURRENT
CONSUMPTION WITH
ACCESSIBLE PRICING

Mercialys' business model has confirmed its resilience in an environment subject to various pressures, marked in the last four years by the health crisis, the war in Ukraine, and the return of inflation at levels not seen since the early 1980s, as well as the institutional crisis facing France in 2024. Mercialys' societal benefits, thanks to retail mixes focused on serving day-to-day needs, at affordable prices, for as many people as possible, were perfectly illustrated. The Company continued moving forward with its strategy to create value across its portfolio and scale up the development of its

digital tools around its Le Shop offering. It is built around logistics services and a 100% digital loyalty program, Prim' Prim'. Retail innovation, a core feature of the Company's approach, is also rolled out around coworking spaces supporting the activity of its centers. In 2024, the Company made concrete progress with new milestones from its 10-year CSR strategy 4 Fair Impacts for 2030. Pioneering the approach to reduce greenhouse gas emissions, Mercialys has adjusted its trajectory to make it "net zero" compatible by 2030.

across the entire real estate cycle



Value creation shared with stakeholders

EMPLOYEES

- €20.5m of compensation.

PROVIDERS AND SUPPLIERS

- €14m of purchases.

FINANCIAL COMMUNITY

- €92.6m of dividends paid;
- €44.5m of financial expenses.

STATE AND LOCAL AUTHORITIES

- €0.8m of taxes.

PROFESSIONAL ORGANIZATIONS AND COMPETITORS

- €146k of annual contributions.

TENANT RETAILERS

- +2.1% sales growth in 2024;
- 5.7€ of sales generated on average for each euro of vouchers spent with the loyalty program.

VISITORS AND END CLIENTS

- €6.8m budget for marketing funds, associations and economic interest groups (GIE⁽⁵⁾);
- Over 800 retailers present in the centers, ensuring a balanced retail mix focused on essential needs.

NON-PROFIT ORGANIZATIONS

- €268k of contributions to support the local non-profit ecosystem.

○ Value created through projects / ● Value created through operational activities.

#03

INNOVATION DRIVING
CONTINUOUS
IMPROVEMENTS IN THE
CLIENT EXPERIENCE

#04

CSR PERFORMANCE
SUPPORTING OUR CLIENTS
AND HELPING BUILD A
CARBON NEUTRAL FUTURE

(1) This rate does not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding swaps in connection with these redemptions. / (2) LTV (Loan To Value): net financial debt / (portfolio market value excluding transfer taxes + market value of investments in associates for Euro €43.9 million as of December 31, 2024 and €45.1 million as of December 31, 2023, since the value of the portfolio held by associates is not included in the appraisal value). / (3) ICR, Interest Coverage Ratio = EBITDA / net finance costs. / (4) Excluding the two dispersed assets. / (5) Groupement d'intérêt économique (GIE).

RETAIL REAL ESTATE AND CONSUMPTION TRENDS

As a retail real estate company, Mercialis is a key player within the French economy and its business is positioned at the crossroads between two core sectors: retail and real estate.

Illustrating this, the Company meets two challenges:

1. understanding changes in the way that end clients consume, and adapting accordingly to support and meet the needs of its tenant retailers;
2. managing its real estate portfolio effectively and specifically its ability to transform them and develop their value in line with its positioning as a regional player, the new conception of urban spaces and the challenges relating to the green transition.

Triple polarization of flows

Real estate and retail are two sectors that are constantly evolving and follow the latest lifestyle developments. In 2024, retail sales represented a total of Euro 651 billion (source: INSEE, FACT⁽¹⁾), up +1.1% from 2023.

The percentage generated by e-commerce stabilized at 10% of total sales (Euro 65 billion), after peaking at 12% during the health crisis in 2021. Online shopping has found its position within the habits of consumers, who are in favor of e-commerce in their day-to-day lives (time savings, price comparison, opening times, etc.). It provides valuable help in terms of supporting preparations to make in-store purchases.

However, physical retail - and out-of-town shopping centers in particular - is still the first or second choice of consumers for their regular purchases for 72% of French people, according to the ninth Baromètre du Centre-Ville et des Commerces survey from April 2024, some way ahead of high-street stores for 55% and the internet for 22%. According to this study, shopping centers are still the preferred retail choice based on objective criteria such as simple access by car and parking facilities for 50% of French

people, considering that more than 80% of them use their car to go shopping. The guarantee of the lowest prices is the first priority for 33% of French people as the main reason why they prefer shopping centers, factoring in the particular focus on purchasing power among households in 2024.

The preferred consumption channel for French people therefore represents a strength for real estate companies, provided that they clearly identify its changes and transform them into opportunities to achieve growth and further strengthen their sites. In light of mobility constraints, specific regional development trends and French lifestyle choices, a polarization can be seen on three levels in particular, linked directly to the various means of transport and residential preferences. Reconciling the political ambition for intensive urban development and individual aspirations for a more dispersed approach is still a complex task, within which density must be synonymous with connections between housing, retail and work.



POLARIZATION OF REGIONS

Growth in the population, employment and wealth tend to be concentrated in the Paris Region and in France's coastal and border areas.



POLARIZATION TOWARDS PERIPHERAL AREAS

Outside of the Paris Region and very large cities, this growth concentrates in out-of-town areas, rather than city centers.



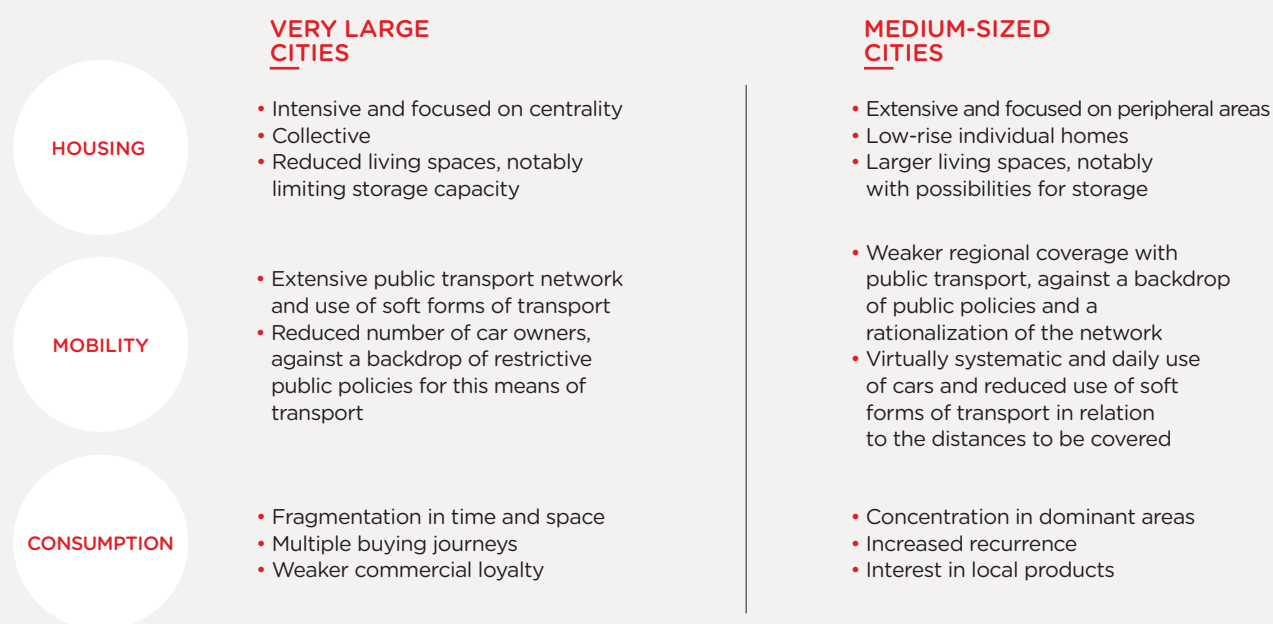
POLARIZATION AROUND MASTER AREAS

In these medium-sized cities, consumption is concentrated in dominant out-of-town retail hubs, which account for the majority of retail stores and are preferred destinations for consumers.

(1) Fédération des Acteurs du Commerce dans les Territoires (French regional retail federation)

Diverse consumption practices and expectations

The expectations and practices of people living in very large and medium-sized cities in France are summarized below:



With its strong regional anchoring, the development of business intelligence tools, and its constant focus on listening to its stakeholders, Mercialis benefits from its fine-grained understanding of trends, enabling it to anticipate changes and continuously adapt its retail mix in line with the realities in each territory. This ability to address consumers' changing requirements is an essential

condition for performance in retail real estate.

The sustainability of the portfolio's value is therefore built around this ability to provide an effective response to increasingly individualized client expectations. Mercialis has therefore realigned its portfolio around assets that are leaders in their catchment areas, while the size of the sites

is not a criterion for performance or resilience.

Ongoing dialogue with local stakeholders to ensure successful integration into the environment is also essential, along with the functional mix of the retail hubs, which attract an extensive and varied clientele.

Understanding consumers' needs

Consumption needs reflect ongoing trade-offs concerning the effort that is needed to acquire them.

Pricing accessibility is a major determining factor in the buying experience at a time when purchasing power concerns are dominant in a country where more than 50% of consumption is linked to social transfers.

However, it is not the only factor, and new technologies are valuable tools, because they multiply the opportunities for contacts and exchanges with consumers in order to better understand their aspirations and provide an appropriate response. Consumers are fundamentally omnichannel and therefore relatively indifferent to whether their distribution channels are physical or virtual.

Being able to understand clients' expectations means being attentive to them and avoiding traditional undifferentiated sales and marketing approaches for instance. This is valid for both shopping centers and retailers, independently from their scale, their reputation or their business sector.

Providing an adapted and targeted response

While the digitalization of points of sale is a vital development, this will not replace the in-store experience, which benefits from crucial assets in terms of the client experience (availability, practicality, traceability, after-sales service, advice, etc.).

The human contact that it involves represents the fundamental determining factor behind consumers' preference for physical points of sale. This highlights the importance for retailers to adapt and modernize their formats and concepts to help develop qualitative interactions, within a highly regulated framework for using personal data. Physical retailers have also largely contributed to the growth in

e-commerce by developing their digitalization and responding to consumers' needs and constraints.

Thanks to their omnichannel or phygital approach, these retailers are ramping up their ability to serve their clients' needs.

This issue is exacerbated in medium-sized cities, where extensive peripheral urban developments make it complicated to offer deliveries and achieve scale effects.

Store designs are therefore expected to evolve in order to be able to satisfy the logistics, delivery and click and collect constraints involved with an omnichannel offering.

In these areas, "ship from store" delivery appears to be the most financially and environmentally sustainable option.

As such, the client experience is still crucial and goes hand-in-hand with the Company's investments to continuously renew the appeal of its centers through an effectively targeted retail mix.

VALUE PROPOSITION

ALIGNED WITH THESE CHANGING REALITIES

The challenge for physical retail players concerns their ability to maintain their commercial and societal benefits, and therefore meet local consumers' needs across each site.

Faced with the growing complexity of client journeys, the winning players, in terms of both retailers and shopping centers, stand out through the following key features:

- **clear positioning** and **strong identity**;
- **renewed attractive** features, centered around **clients' expectations**;
- Culture of more **local** and **responsible** retail;
- **fluid omnichannel** logistics.

The Company's long-term outperformance reflects its value proposition: offering end clients, through a network of shopping centers that are on a human scale and firmly established within their communities, the certainty that they will be able to find the essential products that they consume, helping immediately satisfy the needs of as many people as possible through a quick and simple buying experience, combined with optimum value for money.

This value proposition is guided by the Company's three longstanding areas of expertise.

Since it was founded in 2005, when it listed on the stock market, Mercialis has been developing or restructuring its assets in line with this approach, building and ensuring the sustainability of market-leading shopping destinations.

3 longstanding areas of expertise generating competitive advantages

#01

REAL ESTATE KNOW-HOW

Portfolio of evolving, modular real estate assets.

The Company has pioneered various trends that have been adopted by the industry, such as casual leasing, a single commercial identity, coworking spaces, e-loyalty programs and reducing the size of hypermarkets.

#02

RETAIL KNOW-HOW

Adaptive, omnichannel retail concept.

The ambition is to convert consumer trends into genuine retail solutions built around a diverse offering, with pricing that is accessible for as many people as possible, aligned with local environments.

#03

CSR KNOW-HOW

Powerful, responsible dynamics with strong local roots.

REAL ESTATE KNOW-HOW

Portfolio of evolving, modular real estate assets

Mercialys' first competitive advantage lies in its proven real estate know-how, enabling it to hold a portfolio of market-leading assets. Its centers are designed in line with the specific urban features of the various medium-sized cities, based around two key factors to ensure a successful buying experience: accessibility and efficiency.

ACCESSIBILITY is ensured through the sites' design and prime locations.

Mercialys' assets:

- are always located at the heart of their primary catchment area, not far from city centers, or in densely populated peripheral areas;
- have outstanding transport links;
- and offer long opening hours, optimized parking facilities, clear signs inside the shopping centers, etc.

EFFICIENCY refers to an efficient buying experience, made possible by its assets, as well as the Company's ability to make rapid changes to them. The positioning of Mercialys' centers is focused on satisfying essential needs for as many consumers as possible. These neighborhood centers, while not in opposition to destination centers, are characterized by frequent and efficient client visits. Consumers prepare their visits beforehand and visit centers with a clearly defined buying journey in mind. The average visit time is under one hour. Mercialys' ability to restructure sales spaces within its portfolio ensures that they are always effectively aligned with the needs of retailers and end clients, while securing their leadership within their catchment area.



⁽¹⁾ On average.

Pillar for development: Ensuring the sustainability of the portfolio's value

CAPITALIZING ON ALL SPACES

Modular layout design for centers, opening up opportunities for new forms of retail. The strong development of casual leasing, alongside traditional leases, provides a new dynamic approach thanks to the frequency of retailer rotations.

Mercialys is also rolling out coworking spaces through its Cap Cowork platform.

RECENTRAGE DES ACTIFS SUR REALIGNING ASSETS AROUND FOUR PRIORITY AREAS

Focusing its lettings and asset management efforts on the centers that are leaders in their catchment areas, helping create value for the Company.

TARGETED AND RIGOROUS INVESTMENTS

The Company has a portfolio of flexible and phasable projects, realigned around a diversification of the use of its centers.

Rigorous capital allocation and arbitrage with external growth offering potential for value creation.

To support its real estate excellence, Mercialys has applied a dynamic asset rotation strategy since it was founded.

This is built around its asset management approach, selling mature sites, based on the Company's criteria, and making selective reinvestments in assets with residual development potential.

This recycling of capital enables the Company to support its development, while keeping debt levels effectively under control.

In 2024, Mercialys sold two centers under 5,000 sq.m in Montauban and Rodez, as well as its residual lots at the Millau site, which were no longer aligned with the Company's development strategy.

Following these operations, Mercialys' portfolio comprised 46 assets at end-2024, with:

- **33 strategic sites** representing 95% of the portfolio value, positioned in the four strategic geographical hubs identified by the Company.
- **4 sites** (Tours, Dijon-Chenôve, Niort and Saint-André), which **will be subject to major redevelopments** and represent around 2% of the portfolio.
- **lastly, 9 sites**, representing less than 4% of the value of the Company's assets, **will be incorporated into the arbitrage policy** over the medium term due to their geographical and competitive positioning, in order to focus the Company's asset management and lettings efforts on its priority assets.



Projects covering
26 OF THE COMPANY'S
46 assets.

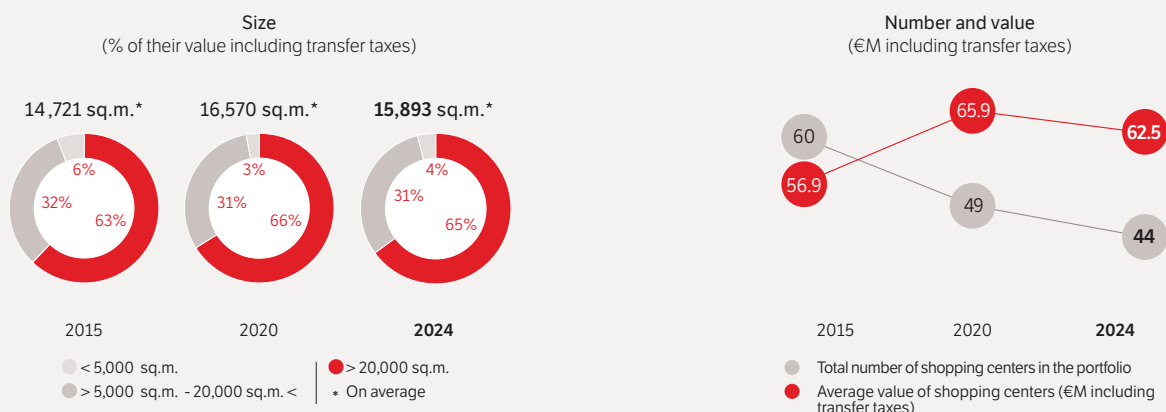


DIVISIBLE and **PHASABLES**,
projects, enabling quick
project launches and
completion schedules.



Projects exclusively at
EXISTING sites (brownfield),
with a fully **CONTROLLED** risk
profile.

► BREAKDOWN OF MERCIALYS' SHOPPING CENTERS



At end-December 2024, the Company's portfolio was valued at Euro 2,761.0 million including transfer taxes. Its shopping centers have an average size of 16,000 sq.m.

This portfolio is made up primarily of sites that:

- are leaders or co-leaders in their catchment areas, i.e. located in key consumption areas in urban hubs;
- are located in dynamic regions in mainland France and overseas territories;
- offer residual real estate and commercial development potential.

This realignment of the portfolio around a limited number of centers with critical mass enables Mercialys to optimize its asset management, which also contributes to its industry-leading position for profitability.

Guided by its focus on creating value, Mercialys always invests with a selective, rational approach.

The Company has a flexible project portfolio, aligned around projects making it possible to diversify the use of its centers.

In a retail property sector that has reached maturity, the Company's investments require a detailed analysis of dynamics for their catchment area and the rationale behind the allocation of capital over the medium term. These investments concern assets that are in the portfolio or under development, but may also include assets outside of the Company's current scope if they will be accretive in the short term and offer potential for creating value over the medium term.

At end-2024, Mercialys had a Euro 417 million project pipeline, with:

- retail space projects (redevelopment of retail spaces, extension of shopping centers, construction of retail parks);
- dining and leisure projects;
- tertiary activity projects (housing, healthcare, coworking, etc.)

► MERCIALYS' DEVELOPMENT PIPELINE

(in millions of euros)

	Total investment	Completion date
Committed projects ⁽¹⁾	23	2025/27
Controlled projects	184	2025/28
Controlled projects	210	2026/>29
Total projects⁽²⁾	417	2025/>29

(1) The investments to be committed for the pipeline for 2025 correspond primarily to the Saint-Denis mixed-use urban project, north of Paris, and coworking spaces.

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

RETAIL KNOW-HOW

Adaptive, omnichannel retail concept

Mercialys' second competitive advantage concerns its retail know-how, which aims to ensure that the products and services offered are perfectly aligned with the needs of retailers and end clients. Mercialys provides responses that are aligned with the transformations taking shape in the retail sector, built around two key success factors: balance and adaptability.

BALANCE refers first of all to the core offering of "recurrent" consumer goods at Mercialys sites, with 20% of listings consumed 80% of the time. It aims to satisfy the essential day-to-day needs of as many clients as possible, while optimizing value for money, which is a key factor in consumers' choices.

This balance is also reflected in the diverse retail mix achieved, in terms of exposure to both different segments and types of retailers, making the assets highly resilient.

ADAPTABILITY characterizes the ability of these retail mixes to evolve in response to changes in the catchment areas' requirements, consumer habits, different times of the year, etc.

From this perspective, casual leasing complements traditional leases, providing a strong source of retail innovation and opportunities for centers to stand out. Adaptability also refers to Mercialys' ability to understand and satisfy the increasingly specific and individualized expectations of versatile and demanding consumers.

Breakdown of annualized contractual rent by business sector

Personal items	29%
Food-anchored tenants	17%
Culture, gifts and sports	19%
Health and beauty	15%
Restaurants and catering	9%
Household equipment	8%
Services	3%

86%
national and
international retailers

14%
local
retailers

152
leases signed
in 2024

10%
of new retailers excluding
Casual Leasing in 2024

16.8M
touchpoints in our own
digital ecosystem⁽¹⁾

630,000
qualified consumer contacts in the
database enabling targeted offers

28%
opening rate for
personalized emails

€54
average basket
per purchase

INNOVATIVE

ESSENTIAL

CONNECTED

PERSONALIZED

**BALANCE &
ADAPTABILITY**

(1) In accordance with the General Data Protection Regulation (GDPR).

Pillar for development: Further strengthening the letting potential

PRECISION RETAIL MIX

Multiplying personalized interactions with retailers and end clients through the Company's proprietary digital and service ecosystem. Adapting the selection of stores in their catchment area to effectively meet consumers' changing expectations.

RICHER CLIENT EXPERIENCE

Further diversifying the centers' offering by including more services, leisure facilities and non-retail circuits, for a richer, differentiating client experience. Accelerating the omnichannel dimension of its sites by offering logistics (click & collect, ship-from-store, parcel collection lockers) and marketplace (Le Shop) services enabling clients to access all of the products available in the center.

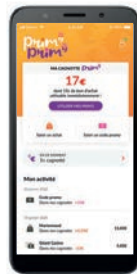
► STRONGER CONSUMER LOYALTY, WITH MILLIONS OF EUROS OF TRANSACTIONS ANALYZED ⁽¹⁾

1
**Cashback based on a % reward
for each purchase supporting
transaction analysis**

Sales recorded through the
loyalty program: Euro 17.5 million

3
**In-store sales
generation**

€1 of vouchers spent = €5.67 of sales
generated on average



2
**Building loyalty with
drive-to-store**

Flexible % reward and vouchers,
spent with the center's retailers

*Historical and predictive
consumption analysis*

14

SHOPPING
CENTERS
EQUIPPED

57,318

CLIENTS ACTIVE
ON PRIM'PRIM'

830

PARTICIPATING
RETAILERS

⁽¹⁾ In accordance with the General Data Protection Regulation (GDPR).

Mercialys builds its retail excellence by anticipating trends in the catchment areas and harnessing its fine-grained understanding of consumers' expectations, thanks to the Business Intelligence (BI) tools developed by the Company over several years.

Mercialys owns all of its marketing and service tools (Le Shop, loyalty card) and has a powerful omnichannel ecosystem that enables its retailers to free themselves up from the significant increase in costs linked to digitalization (online referencing, commissions paid to marketplace operators) which may in certain cases be higher than the average occupancy cost ratio for Mercialys' tenants, which represents 10.8% of their sales.

Prim'Prim', Mercialys' 100% digital loyalty program, rolled out in 2020 and continuously enhanced, is a pioneering solution on the market in terms of understanding end clients' specific needs and habits.

This program supports robust commercial development and enables its centers to continuously adapt their offering. It combines capabilities to accurately identify expectations, with predictive analysis potential, refined client journeys, personalized communication, loyalty building and fluid exchanges between Mercialys, consumers and retailers.

Mercialys' digitalization expertise is helping drive its second major, groundbreaking innovation: Le Shop, its first-mile and last-mile logistics service.

THE LE SHOP ECOSYSTEM AIMS TO:

#01

support retailers with their digital transformation

by setting up Mercialys' proprietary web and mobile marketplace, enabling consumers to buy food and non-food products online directly from their center's retailers.

#02

provide a response

that combines first-mile logistics solutions facilitating the consolidation and shipping of packages from stores, enabling retailers to develop their ship-from-store services.

#03

offer a range of first-mile and last-mile logistics expertise and solutions enabling retailers to drop off their parcels and clients to collect their orders with click & collect (parcel collection lockers, pick-up, etc.).

CSR KNOW-HOW

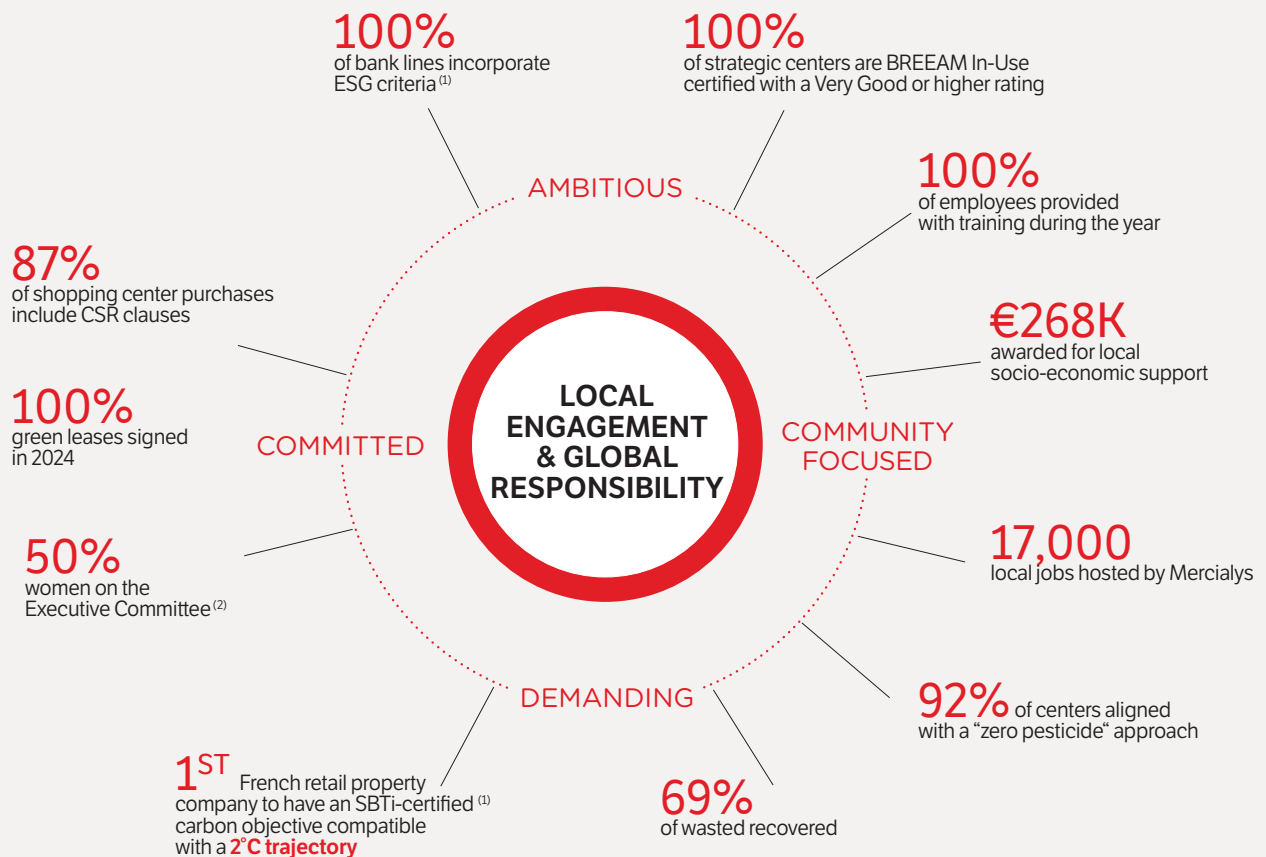
Strong local roots

Mercialys' third competitive advantage is based on its commitment to all its stakeholders. Thanks to its strong local roots, the Company is able to effectively take on board the challenges facing civil society, as well as the expectations and stakes involved. Present in a number of regions, its in-depth knowledge of local realities enables it to responsibly and sustainably adapt its actions.

LOCAL ENGAGEMENT is reflected in particular in Mercialys' fine-grained understanding of the various socio-environmental dynamics at work in each region. This expertise enables the Company to anticipate challenges, identify opportunities for development, and create value over the medium and long term. It ensures its centers' legitimacy and leadership in their catchment areas, while adapting to a constantly evolving environment.

THE GLOBAL RESPONSIBILITY is reflected in its CSR strategy, 4 Fair Impacts for 2030, which is organized around four key commitments looking ahead to 2030:

- helping build a carbon neutral future;
- promoting more responsible retail;
- further strengthening its role as a major partner for regional development;
- being an engaged employer.



(1) Environmental, Societal, Governance. / (2) As of February 12, 2025, closing date of the financial statements for the 2024 fiscal year. / (3) 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.

Pillar for development: Multi-functionality and respect for the environment

MOVING BEYOND THE TRADITIONAL USE OF CENTERS

Establishing the centers as functionally diverse spaces, capitalizing on space not used previously for letting, and integrating local stakeholders' aspirations for limiting urban sprawl.

STRONG MULTI-LOCAL ROOTS

Positioning the centers within a more responsible and sustainable approach to retail and consumption, adapted to local needs, while exploring alternative concepts and ramping up the selection of non-retail events offered at sites, to consolidate their legitimacy.

4 Fair Impacts for 2030, CSR ambition further strengthened

4 Fair Impacts is structured around four commitments that Mercialis has set out looking ahead to 2030. The Company's CSR strategy incorporates the environmental, societal and social stakes into the Company's operational performance.

ALL ENGAGED AROUND A CSR STRATEGY FOCUSED ON OUR 4 MAIN IMPACTS



FOR OUR ENVIRONMENT

By targeting carbon neutrality and advocating the rationalized use of resources to reduce our environmental footprint

OUR AMBITIONS FOR 2030

- Aim net zero carbon emissions
- 100% of waste recovered
- Zero pesticide use



FOR OUR STORES

By jointly building more sustainable retail and living spaces with our tenants

OUR AMBITIONS FOR 2030

- 100% of strategic assets BREEAM In-Use certified
- 100% of centers offering responsible stores and services
- 100% of our tenants engaged in our "responsible landlord tenant" commitments



FOR OUR COMMUNITIES

By positioning our assets at the heart of communities, like springboards for local economic and community life

OUR AMBITIONS FOR 2030

- 100% of centers committed to robust regional development
- 100% of strategic centers with multifunctional spaces
- 100% local and responsible purchases
- Promoting and supporting eco-mobility



FOR OUR TALENTS

By developing our employees' ethical engagement and providing opportunities for fulfilling careers

OUR AMBITIONS FOR 2030

- Maintaining best practices for gender equality
- Developing employee engagement and satisfaction
- Building a culture of exemplary ethical practices



BOARD OF DIRECTORS

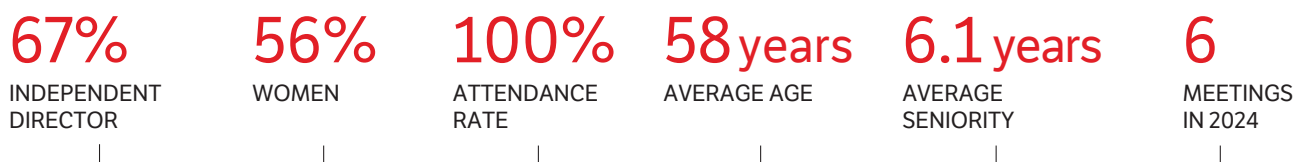
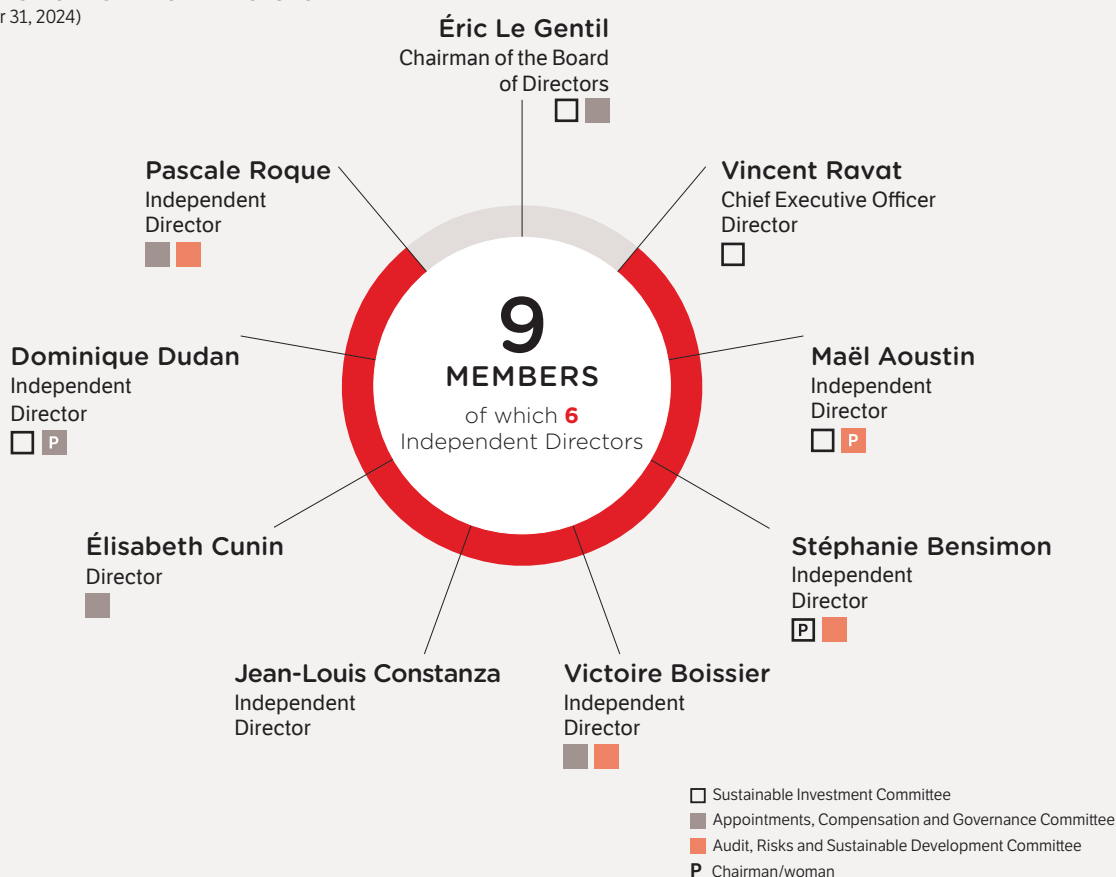
ALIGNED WITH THE BEST STANDARDS

Mercialys' strategy is led by a Board of Directors that is effectively aligned with market best practices. The Board regularly reviews the way that it operates and its representativeness in order to ensure for both shareholders and the market that it always performs its missions with the independence and objectivity required.

Professionalism, gender parity and engagement

In 2024, the Board of Directors continued to be very involved, against the backdrop of an unstable political context in France and serious weather-related events, as well as the major step forward seen with the realignment of the competitive landscape for food retail. The Board has evolved over the years, enabling the Company to consolidate its outstanding practices and further strengthen its ability to develop a proactive and responsible strategy. The frequency of meetings and the 100% attendance level highlight the dedication of the Company's directors, as well as their essential and complementary areas of expertise.

COMPOSITION OF BOARD OF DIRECTORS (at December 31, 2024)



THREE SPECIALIZED COMMITTEES

Mercialys' Board of Directors is supported by three Specialized Committees, and it has defined their responsibilities and the specific ways that they operate. These Committees are made up exclusively of directors, appointed by the Board based on their training and experience.

Composition of the Specialized Committees

 SUSTAINABLE INVESTMENT COMMITTEE	 APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE	 AUDIT, RISKS AND SUSTAINABLE DEVELOPMENT COMMITTEE
5 MEMBERS WOMEN 40% ATTENDANCE 100% 6 MEETINGS INDEPENDENCE 60%	5 MEMBERS WOMEN 80% ATTENDANCE 100% 4 MEETINGS INDEPENDENCE 60%	4 MEMBERS WOMEN 75% ATTENDANCE 100% 4 MEETINGS INDEPENDENCE 100%

Board's areas of expertise

With three-year terms of office and the regular integration of new directors in line with a demanding selection process ⁽¹⁾, Mercialys' Board of Directors has a clear commitment to promoting diversity and renewing its expertise.

This panel of experienced members guarantees a professional, informed approach to all the issues encountered by the Company and represents a source of strategic insights and innovation.

WIDE RANGE OF EXPERTISE (in %)	Real estate Construction Urban planning	Finance Accounting	Company management	Legal Compliance Risks	Governance Ethics	Human Resources Social	Environment Climate	Retail Customer service	Innovation Marketing Information systems
	89%	100%	100%	56%	100%	89%	89%	100%	56%
INDIVIDUAL SKILLS									
É. Le Gentil	●	●	●	●	●	●	●	●	
M. Aoustin	●	●	●		●	●	●	●	●
S. Bensimon	●	●	●		●	●	● ⁽²⁾	●	
V. Boissier	●	●	●	●	●		●	●	
J-L. Constanza		●	●		●	●	●	●	●
É. Cunin	●	●	●		●	●		●	●
D. Dudan	●	●	●	●	●	●	●	●	
P. Roque	●	●	●	●	●	●	●	●	●
V. Ravat	●	●	●	●	●	●	●	●	●

(1) Process detailed in the 2024 Universal Registration Document.

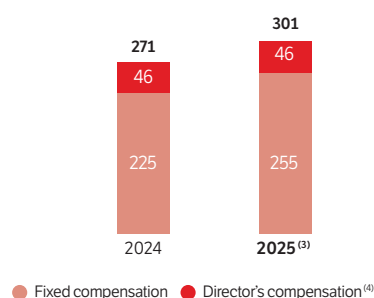
(2) Stéphanie Bensimon was appointed to head up supervision of the CSR approach on April 20, 2021.

COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS ALIGNED WITH BEST PRACTICES

Compensation for the Chairman of the Board of Directors

The compensation package for the Chairman of the Board of Directors, Éric Le Gentil, includes compensation for his position as a director and his fixed compensation for the missions entrusted to him in addition to his general responsibilities under the legislation in force ⁽¹⁾. He does not receive any variable compensation in cash or securities ⁽²⁾.

CHANGE IN COMPENSATION FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS (in thousands of euros)

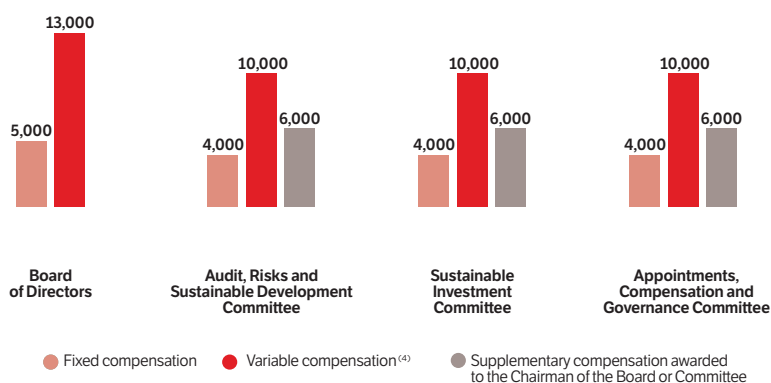


Directors' compensation

In return for their expertise and their contribution to the Company's good governance, Mercialis' directors receive compensation.

This compensation is designed to be balanced, virtuous and aligned with the Company's corporate interests. The directors' compensation policy ensures compliance with the recommendations from the Afep-Medef Code. Mercialis takes all necessary measures to avoid potential conflict of interest situations.

2025 DIRECTORS' COMPENSATION POLICY ⁽³⁾ (in euros)



⁽¹⁾ Notably overseeing relations with the Company's main shareholders and financial and/or industrial partners and helping define the strategy and monitor its implementation. /

⁽²⁾ Excluding the variable component included in his remuneration as a director. / ⁽³⁾ Subject to approval at the Annual General Meeting on April 29, 2025. / ⁽⁴⁾ For 100% attendance.

FULLY DIVERSIFIED SHAREHOLDING STRUCTURE, ENGAGED AND PROACTIVE DIALOGUE

Mercialys has been listed on Euronext Paris Compartment A since January 31, 2025, with the ticker MERY and ISIN FR0010241638. The Company is part of the SBF 120 and several real estate industry indexes (EPRA⁽¹⁾, IEIF⁽²⁾).

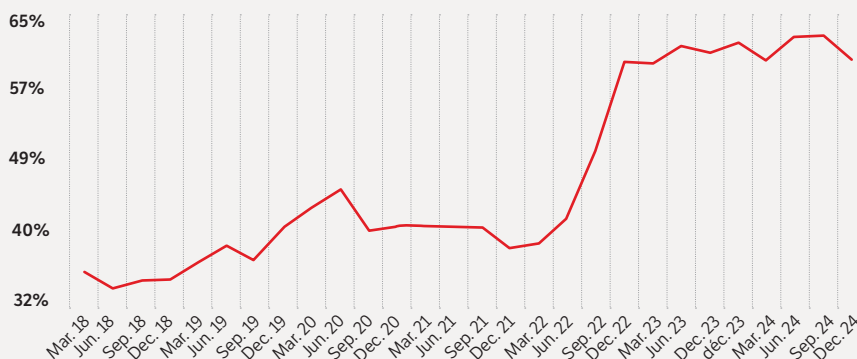
The Company is characterized by its fully diversified capital.

The float represents virtually all of the Company's capital at the end of 2024. The free float ensures an excellent level of liquidity for the Company's shares and allows shareholders to take up and develop significant positions.

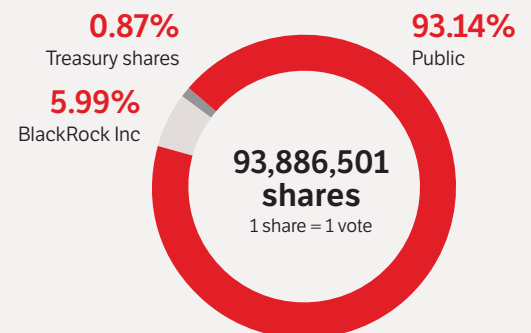
At December 31, 2024, Mercialys' top 33 shareholders⁽³⁾ held more than 60% of its capital and voting rights.

By applying the "one share, one vote" rule, Mercialys ensures identical treatment for all its shareholders and this is reflected in the very high levels of participation in its General Meetings each year.

CHANGE IN THE PERCENTAGE OF THE CAPITAL AND VOTING RIGHTS Held by the top 33 shareholders



SHAREHOLDING STRUCTURE At December 31, 2024



Mercialys is committed to regular, proactive dialogue with its shareholders and more generally with all of its financial stakeholders.

In 2024, alongside the many roadshows and contacts led by the management teams, 15 press releases were published for a community of over 900 investors and analysts.

The Company also received the Transparency Award, organized by the agency Labrador, for its ESG information.



16 roadshows organized with 9 different brokers and 7 countries covered



#1 Transparency Award for ESG information



4 results publications and 2 financial information meetings per year



TOP 100 shareholders contacted before each General Meeting



15 press releases distributed to a base of around 900 investors and analysts

(1) European Public Real Estate Association. / (2) Institut de l'Épargne Immobilière et Foncière. / (3) Excluding the Casino group and Generali group.

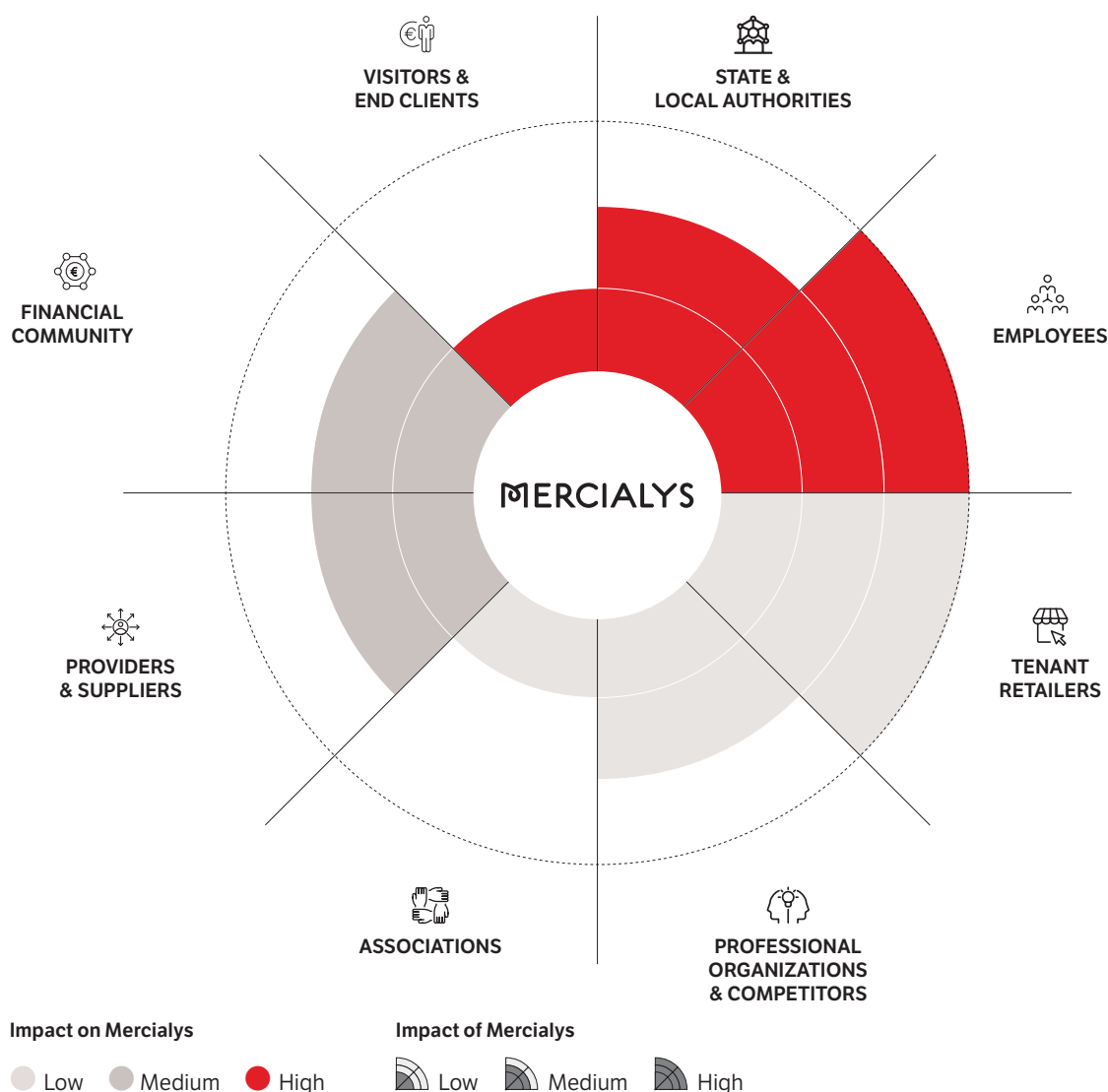
REGULAR DIALOGUE WITH OUR STAKEHOLDERS

Through its business, Mercialys is part of a major ecosystem of stakeholders with which it builds solid relationships.

The dynamic approach established by the Company, based on regular dialogue, enables it to incorporate their expectations into its strategic reviews, while taking on board the core economic, social, societal, environmental and governance stakes, with a focus on creating lasting and shared value.
This dialogue also offers opportunities to build long-term partnerships and more generally to align the Company

with a process of continuous improvement and innovation. Illustrating this approach, the Company regularly consults with all of its stakeholders, from employees to center visitors, retailers, investors and banks, regional authorities and non-profit organizations, in connection with the renewal of its CSR strategy.

Mapping of stakeholders



Dialogue with stakeholders

	STAKES	MEANS OF DIALOGUE	
 EMPLOYEES	• Involvement • Engagement • Recruitment • Loyalty • Diversity • Social dialogue • CSR awareness	- Merylink (Intranet) - Collaborative digital tools - Training - Annual plenary meeting - Financial information meetings	- Onboarding program - Welcome pack - Employee survey - Exchanges with Management - LinkedIn
 STATE & LOCAL AUTHORITIES	• Administrative permits • Project performance • Economic and societal contribution	- Regional and National Commercial Development Committee (CDAC / CNAC) - Project information meetings	- Universal Registration Document - Half-year financial report - Regulatory controls
 VISITORS & END CLIENTS	• Satisfaction • Loyalty • Comfort • Safety • Reviews	- Digital ecosystem - TikTok / Instagram pages - Satisfaction surveys	- Contact with center managers - Newsletter - Emails
 TENANT RETAILERS	• Business performance • Attractiveness • Differentiation • Loyalty • Collaboration • CSR	- Satisfaction surveys - Meetings with retailers - Direct exchanges with the lettings teams	- Le Shop (ecosystem of first and last-mile solutions) - Salesforce (CRM) - Project site visits - Trade shows
 PROVIDERS & SUPPLIERS	• Quality of services • Responsible purchasing • Effective management of the value chain	- Tenders - Regular meetings - Assessments, controls and audits	
 FINANCIAL COMMUNITY	• Financing • Financial performance • Business ethics	- Roadshows - Financial information meetings - Universal Registration Document - Half-year financial report - Press releases	- Annual General Meeting - Website - Investor relations contact - LinkedIn - S&P formerly Ipreo (CRM)
 ASSOCIATIONS	• Support for projects • Stronger local engagement for centers	- Website - Partnerships	- Universal Registration Document - CSR contact
 PROFESSIONAL ORGANIZATIONS & COMPETITORS	• Sharing of best practices • Research and benchmarks • Regulatory monitoring • Promotion of the sector	- Participation in commissions - Participation in governance of industry bodies	

RISK MANAGEMENT

FOCUSED ON SUSTAINABLE DEVELOPMENT AND BUSINESS ETHICS

Mercialys is committed to managing its risk profile effectively, while ensuring that its activities are aligned with the best standards of professional ethics. All its internal control and risk management arrangements aim to ensure that the objectives set by Management are achieved, while safeguarding the Company's future and ensuring full compliance with ethical principles.

Organization and approach

Mercialys positions its risk management system at the heart of both its strategy and its operations: it is overseen by a Risk Prevention Committee, which reports to the Executive Leadership Team, and all employees ensure that operational measures are put in place. The Risk Prevention Committee liaises directly with the Audit, Risks and Sustainable Development Committee, which regularly reviews the

means in place and issues recommendations on the audit work carried out. This proximity supports ongoing dialogue between the stakeholders involved in the risk management process and the Company's executive management bodies, enabling decisions to be taken quickly at the head office and the various sites.

► RISK PREVENTION COMMITTEE'S MISSIONS



Risk mapping

The Risk Prevention Committee's core risk management tool is the risk map, which identifies all the risks that Mercialys is exposed to. In accordance with the ESMA guidelines⁽¹⁾, 49 risks have been identified and are broken down into eight categories, defined by Mercialys. To ensure the pragmatic management and monitoring of its risks, the Company has rated them according to their priority. This prioritization system is based on a rating that includes the two dimensions from the mapping matrix: the risk's

impact and its probability of occurrence. The map is updated on a regular basis. Active monitoring of emerging developments and frequent exchanges with employees make it possible to monitor changes in the risks in line with the Company's environment. They also make it possible to rapidly and efficiently adapt the hedging arrangements and levels as required, and aim to proactively identify new risks.



(1) ESMA31-62-1293 "Guidelines on risk factors under the Prospectus Regulation".

Priority risks

Mercialys rates net risks. The priority risks have either: a moderate impact with a probable probability, or a high impact with a possible or probable probability. 9 of the 49 risks identified meet these criteria. They cover 5 categories and are presented below.

Category	Risk	Impact	Probability	Trend
Risks related to the sector	Risk related to the capitalization rate, the portfolio value and the liquidity of real estate assets on the market	High (NAV)	●●●	→
	Risk related to competition on the physical retail segment	High (NRE)	●●●	→
	Risk related to new forms of consumption	High (NRE)	●●●	→
Risks related to business activities	Risk related to retailer arbitrage and reletting	High (NRE)	●●●	→
	Risk related to the safety and security of operations and a deterioration in the portfolio	High (Reputation)	●●●	→
	Risk related to acquisitions and construction operations	High (NAV)	●●●	→
Risks related to internal control	Risk related to malicious intrusions and equipment or software failures	High (NRE)	●●●	↗
Legal and regulatory risks	Risk related to the REIT regime and tax compliance	High (NRE)	●●●	↗
Risks related to the financial position	Risk related to interest rates, the cost of debt, liquidity and financing	High (NRE)	●●●	↗

Impact: Low Moderate High Risk: ●●● Improbable ●●● Possible ●●● Probable. Trend: ↗ Upward → Stable ↘ Downward.

OVERVIEW OF RISK MANAGEMENT ARRANGEMENTS

PRINCIPLES	OBJECTIVES	PARTICIPANTS	TOOLS	RESULTS
• Collaborative approach • Rapid operational implementation • Interactive process • Preventative approach	• Identify • Monitor • Measure • Steer	• Audit, Risks and Sustainable Development Committee • Executive Leadership Team • Risk Prevention Committee • Ethics and Compliance Director • Operational managers • Employees	• Risk mapping • Interviews with employees • Communication and awareness	• Arrangements at the heart of the management team's strategy • Risk profile known and managed effectively

Company's firm focus on sustainable development and ethics

On account of its scale, sector and/or activity, which is concentrated exclusively in France, Mercialys is not subject to a certain number of regulations that have come into force in the last few years. However, in line with its commitments, the Company has voluntarily rolled out various policies, processes and action plans to respond to issues which, while not yet regulatory requirements, are essential for respecting professional ethics and compliance.

For instance, Mercialys has put in place:

- a sustainability performance report

(DPEF), reviewed by an independent third-party organization;

- an approach to calculate and publish the workplace gender equality index (IEP);
- a corruption risk map and dedicated assessment and control procedures, as well as an internal whistleblowing procedure, in accordance with the legislation in force;
- a Stock Market Code of Ethics to prevent insider trading;
- responsible lobbying guidelines;
- a vigilance approach to monitor practices across its value chain, notably by mapping the categories of the Company's spending, integrating

CSR clauses into key contracts and tenders, and deploying measures to monitor, assess and/or audit suppliers and providers.

In addition, the Company has a Director of Compliance and Ethics, who also serves as the DPO⁽¹⁾. The Director of Compliance and Ethics is a member of the Risk Prevention Committee and works in line with the Code of Ethics and Code of Conduct, which are available on Mercialys' website: www.mercialys.com⁽²⁾.

(1) Data Protection Officer: person in charge of data protection in an organization. / (2) <https://www.mercialys.com/strategy-governance/commitments/code-of-ethics>.

EXECUTIVE COMMITTEE

MOBILIZED TO LEAD THE GROUP'S STRATEGIC AMBITION

In line with its ambition for continued growth and sustainable profitability, Mercialys further strengthened its governance model by setting up a balanced Executive Committee, ensuring parity, with a multidisciplinary and strong operational focus.

Chaired by Vincent Ravat, the Chief Executive Officer, this Committee groups together key leaders from across the organization, who each oversee a core strategic function:

- Elizabeth Blaise, Deputy Chief Executive Officer, corporate officer, responsible for financial affairs, CSR and legal services;
- Philippine de Bruyn, Deputy managing director, in charge of the portfolio and development, overseeing asset management, leasing activities and the management of retail and mixed-use projects, as well as all the Company's activities in the Indian Ocean region;
- Fabrice Haurani, Deputy managing director in charge of investments, disposals and the management of the Company's equity interests;

- Stéphane Girard, Director of operations & external relations in charge of corporate communication, operations and B2C marketing departments;
- Camille Morel, Human Resources Director.

This Committee, supported by the participation of Irving Gauthier, Chief Financial Officer and Executive Committee Secretary, performs a key role with the strategic alignment and operational mobilization of the teams.

In a constantly changing environment, this new governance enables Mercialys to respond to the challenges facing the real estate market, while maintaining its agility, to support its tenants, consumers and local authorities. It ensures the coordinated management and effective implementation of the Group's strategy for growth.

Composition of the Executive Committee (at December 31, 2024)



From top to bottom and left to right: Camille Morel, Elizabeth Blaise, Vincent Ravat, Fabrice Haurani, Philippine de Bruyn, Irving Gauthier and Stéphane Girard.

Balanced and virtuous executive compensation policy aligned with the strategy

Over several years, Mercialis has put in place an executive compensation policy that it wants to be balanced, virtuous and aligned with the strategy, while contributing to the Company's long-term performance. This policy is compliant with the recommendations from the Afep-Medef Code and is built around three principles:

- Objective recognition of performance**
 - Variable component higher than the fixed component within the overall compensation package
 - Focus on quantifiable criteria for the annual variable and long-term variable components
- Valuing sustainability dimensions**
 - Inclusion of CSR criteria in the annual variable component
 - Inclusion of CSR criteria in line with the climate objectives in the long-term variable component
- Convergence of internal and external interests**
 - Alignment of the interests of executives and shareholders: long-term variable component paid as shares, subject to performance, presence and holding criteria
 - Internal fairness: pay gaps between executives and employees measured and stable over time

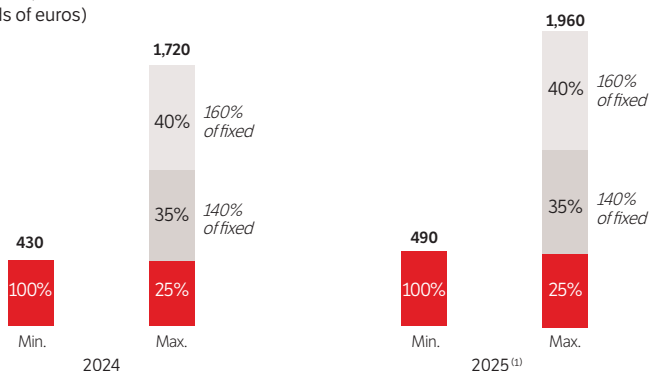
The compensation policy (ex ante) and the payment of items of compensation (ex post) are set each year by the Board of Directors after consulting with the Appointments, Compensation and Governance Committee.

They are submitted for approval by shareholders at the Annual General Meeting, in accordance with the regulations in force.

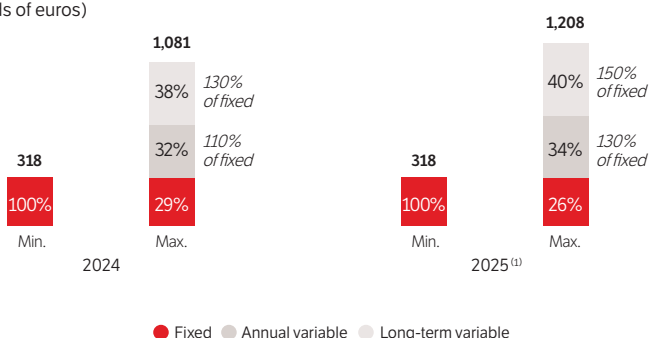
Executive compensation primarily includes a fixed component, a variable annual component and a long-term variable component. The criteria, objectives and thresholds applied to determine the variable components are justified and demanding. The level of compensation for executives is also reasonable in view of the results achieved by Mercialis, their experience and the levels of compensation for employees.

COMPENSATION STRUCTURE

VINCENT RAVAT, CHIEF EXECUTIVE OFFICER
(in thousands of euros)



ELIZABETH BLAISE, DEPUTY CHIEF EXECUTIVE OFFICER
(in thousands of euros)



● Fixed ● Annual variable ● Long-term variable

EQUITY RATIOS⁽²⁾

CHIEF EXECUTIVE OFFICER

11.9 2024 AVERAGE
13.8 2024 MEDIAN

DEPUTY CHIEF EXECUTIVE OFFICER

8.2 2024 AVERAGE
9.5 2024 MEDIAN

(1) Subject to approval at the General Meeting on April 29, 2025. / (2) Calculation methodology detailed in the 2024 Universal Registration Document.

RESILIENT FINANCIAL AND SUSTAINABILITY VALUE CREATION

Thanks to its agile organization, focused on achieving excellence, Mercialys is able to maintain constructive dynamics, consolidating the fundamentals for its operational, financial and sustainability performance.

#01
OPERATIONAL
PERFORMANCE

#02
FINANCIAL
PERFORMANCE

#03
SUSTAINABILITY
PERFORMANCE

OPERATIONAL PERFORMANCE

The operational performance of Mercialys' centers is assessed based on:

- Their **footfall**⁽¹⁾, or the number of visitors counted at entrances to the Company's large centers and main convenience shopping centers;
- Their **retailer sales**⁽¹⁾, which measure tenant retailers' operational performance and therefore their financial health;
- The **occupancy cost ratio**⁽²⁾ for retailers in the centers, which assesses the weighting of real estate in their profit and loss and therefore the sustainability of the rents charged;
- Their **current financial vacancy rate**⁽³⁾, which makes it possible to assess the centers' commercial management;
- The **collection rate**, which assesses the proportion of rent, charges and work invoiced to tenants effectively received by the Company.

CHANGE IN SHOPPING CENTER FOOTFALL

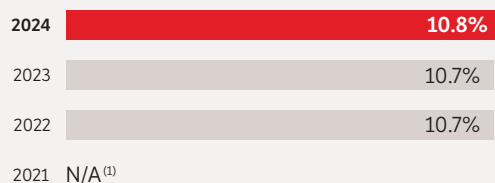
Change over 12 months (Quantaflow) ⁽⁴⁾	+1.2%	+1.9%
Change over 12 months (Mercialys) ⁽⁵⁾	+2.7%	+1.4%
	2024 vs 2023	2023 vs 2022

CHANGE IN RETAILER SALES

Change over 12 months (FACT)	+1.3%	+3.3%
Change over 12 months (Mercialys)	+2.1%	+2.2%
	2024 vs 2023	2023 vs 2022

(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) Ratio between rent, charges (included marketing funds) and invoiced work (including tax) paid by retailers and their sales revenue (including tax), excluding large food stores. / (3) Mercialys' vacancy rate does not include agreements relating to the casual leasing business. / (4) Quantaflow's France Panel comprises 354 centers, representing 54% of the total GLA of French shopping centers. It is the leading national market index published by the French regional retail federation (Fédération des Acteurs du Commerce dans les Territoires, FACT). / (5) Shopping centers only.

CHANGE IN THE OCCUPANCY COST RATIO



CHANGE IN THE CURRENT FINANCIAL VACANCY RATE



CHANGE IN THE COLLECTION RATE (at December 31, 2024)



FINANCIAL PERFORMANCE

Financial performance is primarily assessed based on:

- **Organic growth** in rental income, which measures the change in the Company's revenues excluding the impact of acquisitions and disposals;
- **EBITDA margin**⁽³⁾, which assesses the efficiency of its operational management;
- **Net recurrent earnings** (NRE), which makes it possible to assess the change in its recurrent income;
- **Net asset value** (NAV), which measures the residual value of the Company's assets after reimbursing its creditors;
- The **LTV, ICR and net debt/EBITDA ratios**, which make it possible to assess the sustainability of its debt;
- **Dividend yield**, with 95% of the recurrent taxable profit and 70% of the capital gains from asset disposals to be distributed as dividends in accordance with the tax status of French listed real estate investment trusts (SIIC), which Mercialis has been entitled to since 2005.

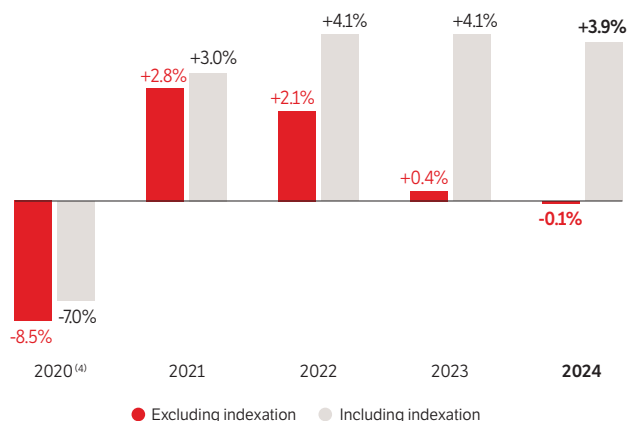
(1) Occupancy cost calculation not effective due to the periods when stores were ordered to close.

(2) Indicator notably affected by the integration within Mercialis' portfolio of the Dijon-Chenôve shopping center, acquired at the end of December 2020 with a view to relaunching this asset.

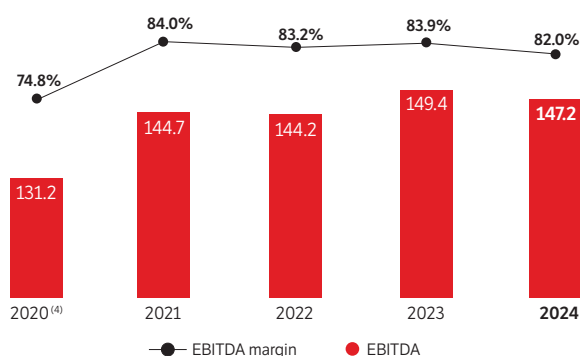
(3) EBITDA margin: earnings before interest, taxes, depreciation, amortization and other operating income and expenses. Margin calculated on rental revenues.

(4) Highly negative impact of the health crisis.

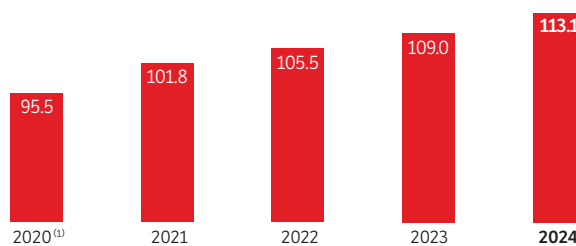
CHANGE IN THE ORGANIC RENTAL INCOME GROWTH RATE



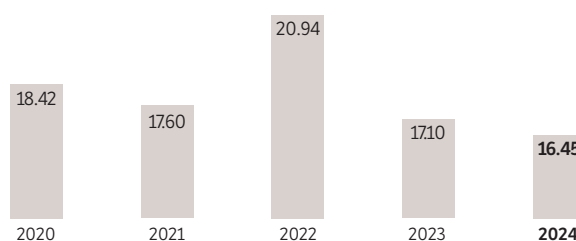
CHANGE IN EBITDA (in millions of euros) AND THE EBITDA MARGIN (%)



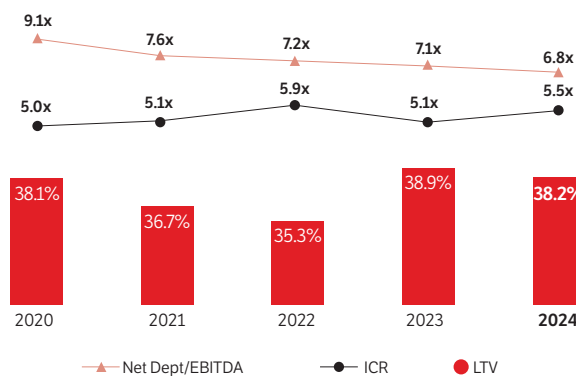
► **CHANGE IN NET RECURRENT EARNINGS (NRE)** (in millions of euros)



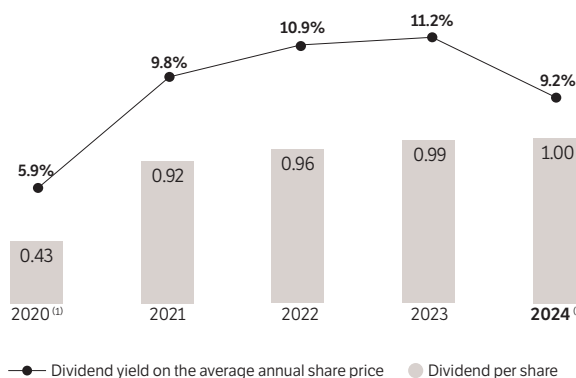
► **CHANGE IN EPRA NDV⁽²⁾** (in euros per share)



► **CHANGE IN THE LTV (excluding transfer taxes),
ICR AND NET DEBT/EBITDA RATIOS**



► **CHANGE IN THE DIVIDEND** (in euros per share)
AND DIVIDEND YIELD



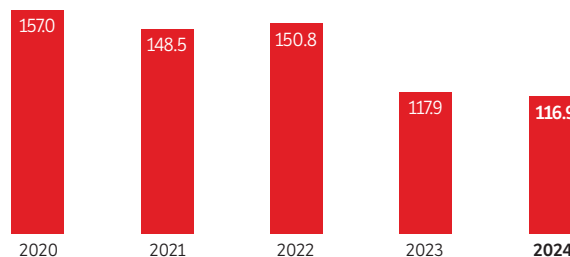
(1) Highly negative impact of the health crisis. / (2) NDV: Net Disposal Value. / (3) Subject to approval at the General Meeting on April 29, 2025.

SUSTAINABILITY PERFORMANCE

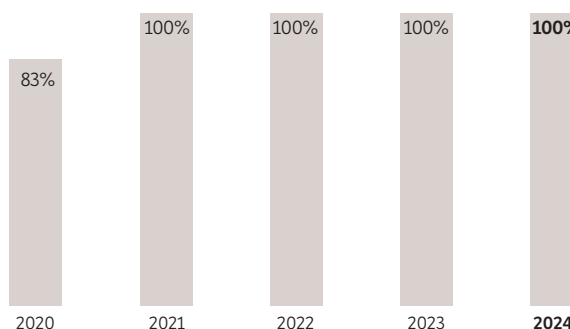
Mercialys' sustainability performance is monitored based on the following aspects:

- **Energy intensity per square meter** for its centers, which illustrates their efficiency in terms of the use of resources;
- **Percentage of the portfolio that is BREEAM In-Use certified**, the retail real estate sector's leading environmental certification framework;
- **The waste recovery rate** for retailers, illustrating successful cooperation between a landlord and its tenants in terms of CSR;
- Scope 1 and Scope 2 **greenhouse gas emissions**, reflecting Mercialys' commitment to helping combat climate change;
- **Employee training**, which ensures that employees' skills are effectively aligned with the Company's needs;
- **Workplace gender equality index**, recognizing Mercialys' commitment to diversity.

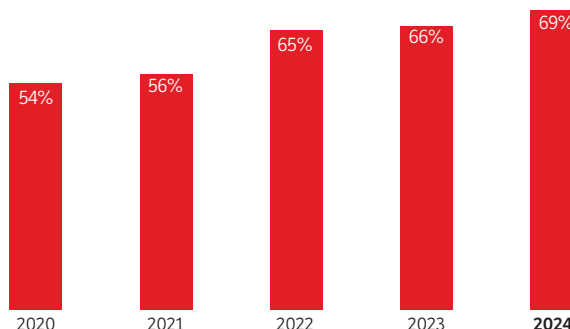
▶ CHANGE IN ENERGY INTENSITY PER SQUARE METER (in kWh/sq.m. - current basis)



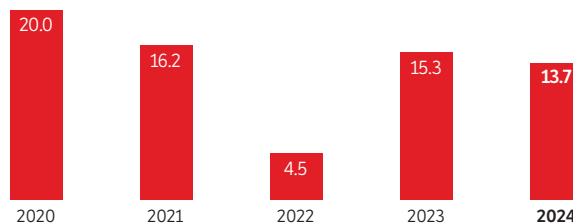
▶ CHANGE IN THE PERCENTAGE OF THE STRATEGIC PORTFOLIO WITH BREEAM IN-USE CERTIFICATION (% of the total value of the strategic portfolio including transfer taxes)



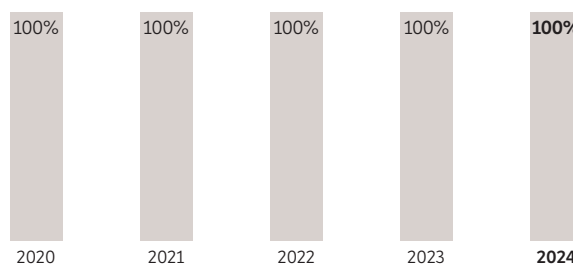
▶ CHANGE IN THE SHOPPING CENTERS' WASTE RECOVERY RATE (current basis)



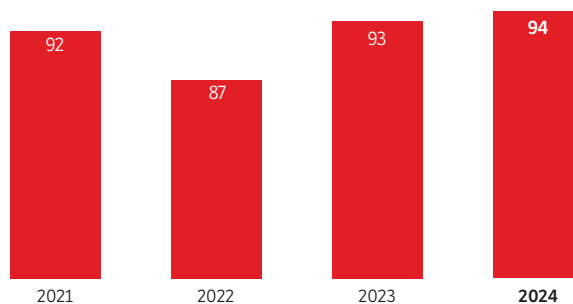
CHANGE IN DIRECT AND INDIRECT CARBON EMISSIONS PER SQ.M
(Scopes 1 and 2 – in kg of CO2 equivalent/sq.m. - market-based method – current basis)



CHANGE IN THE PERCENTAGE OF EMPLOYEES TRAINED



CHANGE IN THE WORKPLACE GENDER EQUALITY INDEX
(Rating /100)



Mercialys' sustainability performance levels are regularly recognized by the sustainability community, and 2024 was no exception.

For instance, the Company improved its MSCI rating from A to AA. It also maintained its GRESB⁽¹⁾ Green Star status and consolidated its position as a leader for sustainable development, ranked fifth among listed European retail property companies. Lastly, its strong commitment to

information transparency was recognized once again, by EPRA⁽²⁾, with two Gold Awards, and in the Grand Prix de la Transparence Awards, in the ESG Information category.

These achievements once again confirm the Company's leading position for corporate social responsibility, which 4 Fair Impacts will continue building on.

									
2024	Score: 91/100 Green Star Status	Rating: A-	Score: 87/100	Score: 7.8 ⁽⁴⁾ Industry and Regional Top-Rated ESG Company	Rating: AA	N/A	Grand Prix ESG Awards	BPR Gold Award sBPR Gold Award	Score: 93.6/100
2023	Score: 89/100 Green Star Status	Rating: A A List status maintained	Score: 87/100	Score: 8.8 ⁽⁴⁾ Industry and Regional Top-Rated ESG Company	Rating: A	Rating: B- Prime status	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	Score: 93.4/100 #2 on SBF 120
2022	Score: 91/100 Green Star Status	Rating: A A List status maintained	Score: 83/100	Score: 8.5 Industry and Regional Top-Rated ESG Company	Rating: A	Rating: B- Prime status	Best general meeting brochure	BPR Gold Award sBPR Gold Award	Score: 91.7/100 #2 on SBF 120
2021	Score: 89/100 Green Star Status	Rating: A A List status maintained	Score: 89/100 #1 in its category Member of the Gaia index	Score: 9.1 Industry and Regional Top-Rated ESG Company	Rating: A	Rating: B- Prime status	Best Universal Registration Document	BPR Gold Award sBPR Gold Award	Score: 85/100 #3 on SBF 120
2020	Score: 85/100 ⁽³⁾ Green Star Status	Rating: A A List status maintained	Score: 87/100 #1 in its category Member of the Gaia index	Score: 9.4	Rating: A	Rating: B- Prime status	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	#4 on SBF 120

(1) Global Real Estate Sustainability Benchmark: international benchmark that assesses the CSR policies and performances of real estate companies each year. / (2) European Public Real Estate Association. / (3) Score not comparable due to a change in the methodology. / (4) Risk approach used by Sustainalytics: the lower the score, the better the company's assessment.



2.9%

Current vacancy rate



6.65%

Appraisal yield rate



35.7%

Loan To Value (LTV)
(including transfer taxes)

01.

REVIEW OF THE YEAR

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1.1 Activity report

In 2024, the environment remained buoyant overall for the retail real estate sector in France, despite a number of uncertainties linked to the geopolitical risks and the unstable national political and fiscal situation. Consumption continued to be fueled by the downturn in inflation, as well as a purchasing power reserve linked to a savings rate that is still higher than its historic average. However, French people's appetite for consumption is expected to continue to be structured around pricing imperatives. In this context, Mercialis worked to further improve the quality of its network, its accessible retail offering and its rental mix.

Continuing to move forward with the strategy to realign its portfolio, Mercialis sold two centers under 5,000 sq.m in Montauban and Rodez in 2024, as well as four residual lots at the Millau site. Following these operations, the Company's portfolio comprised 46 sites. 33 assets considered to be strategic (representing 95% of the value) are positioned in four target geographical areas around dynamic cities such as Marseille, Aix-en-Provence, Toulouse, Rennes and Grenoble.

In addition, 2024 was marked by the almost complete rotation of the food operators anchoring Mercialis' shopping centers. To balance its exposure to this consumption segment and the various operators, in July Mercialis sold four hypermarkets in which it held a 51% interest (49% owned by a fund managed by BNP Paribas REIM), operated by Auchan. These transfers of business operations were completed successfully, reflected directly in average footfall growth of +7.7% for the shopping centers concerned since the hypermarkets reopened under their new banner.

Based on these stronger fundamentals, footfall ⁽¹⁾ in Mercialis' shopping centers is up +2.7% for the full year in 2024, compared with the Quantaflow national panel's growth of +1.2%, despite the disruption seen during the first half of the year linked to the retailer changes (attrition affecting supplies for the hypermarkets operated by Géant, liquidation sales and closure of the hypermarkets for two to three weeks). This +150bp outperformance benefiting Mercialis' sites rises to +210bp excluding the Brest site, which was impacted by the Géant hypermarket's closure following the Casino group's decision during the fourth quarter of 2024.

These renewed visitor flows contributed to sales growth for retailers in the centers of +2.1% at end-December 2024, significantly outperforming the FACT national index's +1.3% increase by +80bp.

2024 saw a sustained level of rental activity, with Mercialis continuing to work to diversify its retail mix outside the textiles segment, while remaining focused on an accessible offering. Mercialis' strategy to meet the demand for recurrent consumption is not limited to just spending on food. The Company aims to establish itself as the leading real estate company for accessible retail across all consumption segments.

The appeal of Mercialis' regional positioning, the effective control over costs charged back to tenants, and the renewal of visitor flows driven by the new food anchors enabled Mercialis to keep its current financial vacancy rate ⁽²⁾ at 2.9% at end-December 2024, stable compared with the end of December 2023. The total vacancy rate is down to 4.1%, its lowest level since 2019 (*versus* 4.4% at end-2023 and end-June 2024). The Company's 33 strategic sites show a total average occupancy rate of 98%, representing a frictional level. Commercial vacancies are concentrated primarily on the sites subject to redevelopment and restructuring projects.

The financial results for 2024 reflect the year's solid operational performance, with invoiced rents up +0.9% to Euro 179.2 million, benefiting from sustained organic growth, partially offset by the prorata impact of the asset disposals completed in 2024. Organic growth in invoiced rents, up +3.9%, reflects the impact of indexation for +4.0% and the contribution by variable rents (+0.3%), illustrating the good level of business for retailers. EBITDA came to Euro 147.2 million, down -1.5% from 2023, factoring in the disposals completed during the second half of 2024. The EBITDA margin remains high at 82.0%.

Net recurrent earnings (NRE) came to Euro 113.1 million, with +3.8% growth *versus* 2023, and up +3.7% to Euro 1.21 per share ⁽³⁾, outperforming the target for at least +2% *versus* 2023.

The asset disposals completed, as detailed above, for a net sales price of Euro 135 million on a 100% basis, also helped Mercialis to consolidate its balance sheet positions: the LTV ratio excluding transfer taxes ⁽⁴⁾ was 38.2% at December 31, 2024 (compared with 38.9% at December 31, 2023), well below the banking covenant level of 55% for the confirmed bank lines. The LTV ratio including transfer taxes came to 35.7% (*versus* 36.4% at December 31, 2023). The ICR was 5.5x ⁽⁵⁾ at December 31, 2024, compared with 5.1x at December 31, 2023, significantly higher than the minimum level of at least 2x set by the bank covenants. On October 24, 2024, Standard & Poor's confirmed its BBB/stable outlook rating for Mercialis. This balance sheet will help drive the resumption of investments in 2025.

The portfolio value came to Euro 2,761 million including transfer taxes, up +1.3% over 12 months like-for-like and down -3.9% on a current basis due to the disposals completed in 2024. The appraisal value excluding transfer taxes is up +1.1% like-for-like, with the positive impact of rental income (+3.3%) offsetting the impact of a slight increase in rates.

The EPRA Net Disposal Value (NDV) came to Euro 16.45 per share ⁽⁶⁾ at end-2024, down -0.5% over six months and -3.8% over 12 months.

In view of all of these elements, Mercialis' Board of Directors will submit a proposal at the General Meeting on April 29, 2025 for a dividend of Euro 1.00 per share, compared with a dividend of Euro 0.99 per share for 2023. The payout corresponds to 83% of 2024 net recurrent earnings. The dividend offers a yield of 6.1% on the NDV of Euro 16.45 per share and 9.9% on the year's closing price.

(1) Mercialis' large centers and main convenience shopping centers based on a constant surface area, representing around 80 % of the value of the shopping centers.

(2) The occupancy rate, as with Mercialis' vacancy rate, does not include agreements relating to the Casual Leasing business.

(3) Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares.

(4) LTV (Loan To Value): Net financial debt/(market value of the portfolio excluding transfer taxes + market value of investments in associates for Euro 43.9 million at December 31, 2024, Euro 45.1 million at December 31, 2023 and Euro 44.3 million at June 30, 2024, since the value of the portfolio held by associates is not included in the appraisal value).

(5) ICR (Interest Coverage Ratio): EBITDA/net finance costs.

(6) Calculation based on the diluted number of shares at the end of the period, in accordance with the EPRA methodology regarding the NDV per share.

This proposed dividend is based on the distribution requirement with the SIIC tax status concerning exempt profits from:

- property rental or sub-letting operations (including dividends paid by the subsidiaries subject to the SIIC system), i.e. Euro 0.78 per share;

- the distribution of exempt income recorded on the Company's balance sheet for Euro 0.22 per share.

The ex-dividend date is May 2, 2025, with the dividend to be paid on May 6, 2025.

1.1.1 Portfolio realigned with a food re-anchoring and successful rental diversification, paving the way for reversion potential to be built up again

Portfolio concentrated around dynamic French cities

The Company's portfolio is made up of 46 sites, including 33 strategic assets located in priority geographical hubs with populations benefiting from the highest standards of living in France or significant levels of tourism. 28 of these 33 shopping centers are leaders or co-leaders in their catchment areas and, with an average size of 30,000 sq.m, they all represent attractive destinations, while limiting the risk of vacancies in the medium term.

Alongside this, four sites (Tours, Dijon-Chenôve, Niort and Saint-André), representing less than 2% of the portfolio value, will be subject to major redevelopments.

Lastly, nine assets represent less than 4% of Mercialis' appraisal value. They are non-strategic through their geographical or competitive positioning, and will be incorporated into the arbitrage policy over the medium term. This realignment of the portfolio will help optimize the Company's operating costs and effectively focus its lettings and asset management efforts.

Successful food re-anchoring

2024 was marked by the almost complete rotation of the food operators anchoring Mercialis' shopping centers.

At end-2024, only the Brest and Niort hypermarkets, owned by Mercialis (51% stake, with a fund managed by BNP Paribas REIM

holding 49%), were still rented by the Casino group, with the leases due to expire on June 30, 2027. However, on September 30, 2024, the Casino group voluntarily shut down operations at these two stores without prior notice. Mercialis immediately opened legal proceedings to dispute these closures, while at the same time holding talks with the Casino group regarding the operational development of these hypermarkets, making it possible to work on their reletting, if applicable, which would further strengthen the overall attractive commercial positioning of both sites. However, the Casino group has complied with its quarterly payment schedules, including the fourth quarter of 2024 and the first quarter of 2025.

Alongside this, operations at four hypermarkets that are not owned by Mercialis, but that anchor small centers which it owns (Brive, Aurillac, Valence and Dijon-Chenôve), were also shut down on this same date. In total, these centers represent 1.2% of the Company's net rental income (excluding mid-size units whose flows are not significantly affected by the large food stores). These four sites are subject to projects or arbitrage operations over time.

At end-2024, the percentage of the Company's rental income with an economic vision from food retail came to 16.1%, with its breakdown illustrating the groundbreaking partnership developed between Mercialis and all of the main French operators:

Retailer – mass food retail	12/31/2024
	% of rental revenues (economic vision)
Intermarché	5.6%
Auchan	5.2%
Carrefour	2.1%
Monoprix	1.6%
Brest and Niort hypermarkets	1.2%
Aldi	0.2%
Lidl	0.1%
TOTAL	16.1%

Successful rental diversification paving the way for reversion potential to be built up again

2024 saw a sustained level of rental activity, with Mercialis continuing to work to diversify its rental mix outside the textiles segment, while remaining focused on an accessible offering. Mercialis' strategy to meet the demand for recurrent consumption is not limited to just spending on food. The Company aims to establish itself as the leading real estate company for accessible retail across all consumption segments.

The focus across the portfolio continues to be retailers that are renowned for their accessible pricing, a key catalyst for purchases. This strategy is illustrated by the Angers site, through the leases signed with retailers that are popular with customers, such as Adopt, Made Burger and Fabrique Cookies, further enhancing the

high-quality food selection available following the leases signed with Waffle Factory and Amorino in 2023. In Besançon, the center's accessible retail offering has been further strengthened through the leases signed with Quick and Célio. Similarly, at Toulouse Fenouillet, a site that began work to redevelop its letting potential two years ago, the Company signed leases with the retailers Nocibé, Saint Algue and Cokot, as well as the discount home decoration retailer TEDI, following on from the 14 transactions completed in 2023.

Alongside this, between 2020 and 2024, the personal items segment, an inherently discretionary area of spending, moved from 31.4% to 29.2% of rental revenues. At the same time, the culture, leisure and sports segment saw the strongest progress, climbing from 16% of rental income in 2020 to 19% in 2024. This enabled it to overtake the food retail segment, which Mercialis has deliberately

scaled back its exposure to and which now represents 17.3% of rental income (*versus* 21.6% in 2020). Generating 14.7% of the Company's rental income *versus* 12.3% in 2020, the health-beauty segment recorded very strong growth, driven by the successful retailers Adopt, Rituals and Normal.

The change in the retail mix, moving towards essential consumption segments around retailers that are popular with clients, is (i) improving the letting potential of the Company's centers over the medium term and (ii) paving the way for reversion potential to be built up again.

1.1.2 The portfolio value shows the start of a rebound phase and the financial position was further strengthened in 2024

Portfolio value up + 1.3% like-for-like

At end-December 2024, Mercialis' portfolio mainly comprised 44 shopping centers ⁽¹⁾. The portfolio value came to Euro 2,761 million including transfer taxes, up + 1.3% over 12 months like-for-like ⁽²⁾. The appraisal value excluding transfer taxes is up + 1.1% like-for-like, with the positive impact of rental income (+ 3.3%) offsetting the impact of a slight increase in rates.

The average appraisal yield rate was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at end-2023. This change shows a positive yield spread of 344bp compared with the risk-free rate (10-year OAT) at end-December.

A dynamic arbitrage policy was rolled out over the year across the Company's various asset categories

In July 2024, the Company sold four hypermarkets for a net sales price of Euro 117.5 million (corresponding to 100% of the assets' value). Mercialis also sold geographically dispersed assets for a total of Euro 7.9 million, as well as the non-strategic centers in Montauban and Rodez for a total price of Euro 9.9 million. The disposals represented a combined total of Euro 135.3 million in 2024, equivalent to 5% of the portfolio value excluding transfer taxes at end-2023. The disposals were completed at an average price in line with the appraisals, once again demonstrating the liquidity of the Company's portfolio and the relevance of its appraisal values.

The EPRA Net Asset Value indicators are as follows:

	EPRA NRV			EPRA NTA			EPRA NDV		
	12/31/2023	06/30/2024	12/31/2024	12/31/2023	06/30/2024	12/31/2024	12/31/2023	06/30/2024	12/31/2024
€/share	18.25	17.80	18.23	16.29	15.85	16.29	17.10	16.53	16.45
Change over 6 months	- 4.1%	- 2.5%	+ 2.4%	- 4.1%	- 2.7%	+ 2.7%	- 9.1%	- 3.3%	- 0.5%
Change over 12 months	- 11.2%	- 6.5%	- 0.1%	- 11.6%	- 6.7%	+ 0.0%	- 18.4%	- 12.0%	- 3.8%

The EPRA Net Disposal Value (NDV) came to Euro 16.45 per share, down - 0.5% over six months and - 3.8% over 12 months. The Euro - 0.65 per share change over 12 months takes into account the following impacts:

- dividend payment: Euro - 1.00;
- net recurrent earnings: Euro + 1.22;
- change in unrealized capital gains ⁽³⁾: Euro - 0.04, including a yield effect for Euro - 0.67, a rent effect for Euro + 0.96 and other effects ⁽⁴⁾ for Euro + 0.32;
- change in fair value of fixed-rate debt: Euro - 0.57;
- change in fair value of derivatives and other items: Euro - 0.25.

Very sound financial structure

In a volatile rate environment, Mercialis maintained a high level of fixed-rate debt hedging, up to 99% at end-2024 from 96% at December 31, 2023.

In September 2024, Mercialis carried out two refinancing operations. Firstly, the Company carried out a Euro 300 million bond issue, with a 7-year maturity and 4.0% coupon. Secondly, the early redemption option was exercised for the bond issue with

Euro 200 million outstanding and due to mature in July 2027, with a coupon of 4.625%. This restructuring enabled Mercialis to optimize its average cost of debt, extend the average maturity of drawn debt to 3.8 years at end-December 2024 (vs. 3.3 years at end-June 2024), and support the balance sheet's liquidity.

The asset disposals completed, as detailed above, also helped Mercialis to consolidate its balance sheet positions: the **LTV ratio excluding transfer taxes** ⁽⁵⁾ was **38.2% at December 31, 2024** (compared with 40.0% at June 30, 2024 and 38.9% at December 31, 2023), well below the banking covenant level of 55% for the confirmed bank lines. The LTV ratio including transfer taxes came to 35.7% (*versus* 37.4% at June 30, 2024 and 36.4% at December 31, 2023).

The ICR was 5.5x ⁽⁶⁾ at December 31, 2024, compared with 5.1x at December 31, 2023 and 5.5x at June 30, 2024, significantly higher than the minimum level of at least 2x set by the bank covenants.

On October 24, 2024, Standard & Poor's confirmed its **BBB/stable outlook** rating for Mercialis.

This balance sheet will help drive the resumption of investments in 2025.

(1) Added to these are two geographically dispersed assets with a total appraisal value including transfer taxes of Euro 12.8 million.

(2) Sites on a constant scope and a constant surface area basis.

(3) Difference between the net book value of assets on the balance sheet and their appraisal value excluding transfer taxes.

(4) Including impact of revaluation of assets outside of organic scope, equity associates, maintenance capex and capital gains or losses on asset disposals.

(5) LTV (Loan To Value): Net financial debt/(market value of the portfolio excluding transfer taxes + market value of investments in associates for Euro 43.9 million at December 31, 2024, Euro 45.1 million at December 31, 2023 and Euro 44.3 million at June 30, 2024, since the value of the portfolio held by associates is not included in the appraisal value).

(6) ICR (Interest Coverage Ratio): EBITDA/net finance costs.

1.1.3 Resumption of targeted investments, aiming to further strengthen Mercialys' network and the appeal of its centers

The Company aims to achieve growth while maintaining its strict framework, built around its main financial balances and its demands for a yield of at least 7%, higher than the portfolio's average yield (6.65% at end-2024).

Selective rollout of the project pipeline

At end-2024, the pipeline of projects underway and likely to be deployed over the medium term represented Euro 417.5 million. The projects will be located primarily in the four geographical hubs that Mercialys' real estate footprint is focused on. Mercialys will continue to focus its development on the retail sector, while capitalizing on its various areas of real estate expertise, enabling it to take part in calls for tenders organized by cities or local authorities looking to reposition their neighborhoods.

The implementation of these programs remains subject to the relevant administrative authorizations being obtained, as well as a comparison with the yield on existing assets that could be acquired by the Company.

In 2025, Mercialys, in partnership with the developer Telamon, will be able to continue moving forward with the operation in Saint-Denis, in the Paris Region, to build new structures above the mall owned by the Company. Mercialys will retain ownership of the renovated retail spaces following completion of the project.

2025 is also expected to see progress made with the 15,000 sq.m Saint-André mixed-use business park project (Reunion Island). This development, on Mercialys land bank plots, is 76% pre-let. The yield on this project is estimated at 8.4%.

In connection with the deployment of its know-how on mixed-use projects, in January 2025 Mercialys signed a preliminary sales agreement with a public institution for a 1.6 hectare land bank for Euro 4.0 million in Angers, where the Company has a leading shopping center. The construction of a neighborhood on this site combining residential units, shops, offices, healthcare, leisure and dining facilities would significantly strengthen the existing asset, while offering a new quarter for this regional urban hub. On completion, with phased deliveries scheduled for 2030 and 2032, the Company will exclusively retain the retail units.

(In millions of euros)	Total investment	Investment still to be committed	Completion date
Committed projects ⁽¹⁾	22.8	22.2	2025/2027
Tertiary activities	21.5	20.9	2027
Controlled projects	184.4	175.9	2025/2028
Retail	144.2	136.1	2025/2028
Dining and leisure	11.1	11.0	2026/2027
Tertiary activities	29.1	28.8	2025/2027
Identified projects	210.3	209.9	2026/> 2029
Retail	163.8	163.5	2026/> 2029
Dining and leisure	45.0	45.0	> 2029
Tertiary activities	1.5	1.5	2026/> 2029
TOTAL	417.5	408.0	2025/> 2029

(1) The investments to be committed for the pipeline correspond to the Saint-Denis mixed-use urban project, north of Paris, and coworking spaces.

- Committed projects: projects fully secured in terms of land management, planning and related development permits.
- Controlled projects: projects effectively under control in terms of land management, with various points to be finalized for regulatory urban planning (constructability), planning or administrative permits.
- Identified projects: projects currently being structured, in emergence phase.

Positioning to acquire existing assets, based on solid real estate fundamentals

Mercialys could also position itself to acquire existing assets focused on retail property or related activities, including shopping centers, retail parks and storage centers.

These investments would be carried out at leading sites or sites with the potential to be developed to lead their catchment areas.

The maximum target amount for investments is Euro 200 million, incorporating a strict yield criterion of at least 7%.

Acquisition of 100% of the capital of the investment management company ImocomPartners

During the first half of 2025, Mercialys will acquire the remaining 70% not yet held in the investment management company ImocomPartners. The corresponding amount, subject to performance conditions, is currently being determined.

From December 2023, the Company held a 30% stake (representing a Euro 5.7 million investment) in this structure, which manages the OPPCI fund ImocomPark. The ImocomPark fund holds a portfolio of 33 retail parks in France, with a value of around Euro 650 million. Mercialys will benefit from an immediate return on this investment, through management fees from the existing fund, as well as new funds that may be set up. This operation also offers Mercialys increased visibility in relation to tenant retailers, while increasing the Company's capacity to work on retail or mixed real estate development projects.

1.1.4 Various milestones passed with the rollout of the Company's CSR strategy looking ahead to 2030, and carbon trajectory revised moving towards a net zero target

In 2024, Mercialis passed new milestones from the roadmap set out with its 10-year CSR strategy "4 Fair Impacts for 2030".

Its key achievements, in line with the 13 goals from this strategy, include:

- a reduction in greenhouse gas emissions per sq.m by - 31.5% compared with 2020 and - 41.4% *versus* 2017, the baseline year for the Company's carbon trajectory;
- a waste recovery rate of 68.5%;
- the BREEAM In Use certification of 100% of the strategic centers, in line with the more demanding version 6 of this framework. The average rating for strategic assets in section 2 is 70.7%, reflecting Mercialis' robust environmental approach;
- a responsible range of stores and services offered by 94.4% of the strategic centers;
- an excellent performance in terms of gender equality, measured by the workplace equality index (drawn up by the French Ministry of Labor, Employment and Inclusion), after Mercialis scored 94/100, compared with a national average of 88/100;
- a governance structure aligned with the best standards, including a Board of Directors that has 56% women directors.

The Company's CSR leadership is illustrated by several real estate industry awards recognizing its achievements. On the one hand, Mercialis' score of 91/100 in 2024 in the Global Real Estate Sustainability Benchmark (GRESB) and its "Green Star 5" status, the highest category in this benchmark. On the other hand, the AA rating awarded by MSCI. Lastly, with a very low risk rating of 7.8/100 from Sustainalytics.

Mercialis has been a pioneer with the drive to reduce greenhouse gas emissions, getting its carbon trajectory certified by the SBTi from 2019 with a target that is compatible with an increase in temperatures by "less than 2°C". With the Company's strategy looking ahead to 2030, aimed at helping achieve carbon neutrality, Mercialis has adjusted its trajectory to make it net zero compatible. Factoring in the regular investments made in the portfolio over the past 10 years, this revision is not expected to result in any significant changes in capex over the medium term. This new trajectory has been submitted to the SBTi for certification in March 2025.

1.2 Financial report

Pursuant to regulation (EC) No. 1606/2002 of July 19, 2002, the Mercialis group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and applicable at December 31, 2024. These standards are available on the European Commission website at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The accounting policies set out below were applied consistently to all the periods presented in the consolidated financial statements, after taking into account, or with the exception of, the new standards and interpretations described below.

1.2.1 Financial statements

1.2.1.1 Consolidated income statement

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Rental revenues	179,534	178,010
Service charges and property tax	(47,639)	(51,079)
Charges and taxes billed to tenants	41,631	45,201
Net property operating expenses	(1,212)	(1,208)
Net rental income	172,314	170,924
Management, administrative and other activities income	3,239	3,078
Other income	2	-
Other expenses	(7,867)	(4,433)
Personnel expenses	(20,526)	(20,169)
Depreciation and amortization	(37,828)	(38,540)
Reversals of/(Allowances for) provisions	(901)	(4,774)
Other operating income	154,721	10,647
Other operating expenses	(161,009)	(30,915)
Operating income	102,145	85,818
Income from cash and cash equivalents	6,727	3,185
Gross finance costs	(51,243)	(38,194)
(Expenses)/Income from net financial debt	(44,516)	(35,009)
Other financial income	947	774
Other financial expenses	(3,472)	(6,085)
Financial expenses	(47,041)	(40,321)
Tax expense	(793)	(495)
Share of net income from associates and joint ventures	2,432	1,727
Consolidated net income	56,742	46,730
Attributable to non-controlling interests	2,983	(6,643)
Attributable to owners of the parent	53,759	53,373
Earnings per share ⁽¹⁾		
Net income attributable to owners of the parent (€)	0.58	0.57
Diluted net income attributable to owners of the parent (€)	0.58	0.57

(1) Based on the weighted average number of shares over the period adjusted for treasury shares:
Undiluted weighted average number of shares in 2024 = 93,435,731 shares.
Fully diluted weighted average number of shares in 2024 = 93,435,731 shares.

1.2.1.2 Consolidated statement of financial position

Total assets

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Intangibles	3,424	3,144
Property, plant and equipment other than investment property	7,445	5,825
Investment property	1,720,595	1,864,950
Right-of-use assets	14,784	10,615
Investments in associates	40,315	39,557
Other non-current assets	30,604	37,577
Deferred tax assets	1,700	1,614
Non-current assets	1,818,867	1,963,282
Trade receivables	30,766	35,936
Other current assets	27,048	31,902
Cash and cash equivalents	283,653	118,155
Investment property held for sale	0	1,400
Current assets	341,467	187,393
TOTAL ASSETS	2,160,334	2,150,676

Total equity and liabilities

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Share capital	93887	93887
Additional paid-in capital, treasury shares and other reserves	537,179	583,337
Equity attributable to owners of the parent	631,065	677,224
Non-controlling interests	130,957	188,871
Shareholders' equity	762,022	866,095
Non-current provisions	1,390	1,406
Non-current financial liabilities	1,237,529	1,131,627
Deposits and guarantees	29,424	24,935
Non-current lease liabilities	13,991	9,529
Other non-current liabilities	4,675	4,834
Non-current liabilities	1,287,010	1,172,332
Trade payables	10,916	9,265
Current financial liabilities	50,765	53,037
Current lease liabilities	1,204	1,331
Current provisions	16,644	15,581
Other current liabilities	31,384	32,940
Current tax liabilities	390	95
Current liabilities	111,303	112,249
TOTAL EQUITY AND LIABILITIES	2,160,334	2,150,676

1.2.1.3 Consolidated cash flow statement

(in thousands of euros)	12/31/2024	12/31/2023
Net income attributable to owners of the parent	53,759	53,373
Non-controlling interests	2,983	(6,643)
Consolidated net income	56,742	46,730
Depreciation, amortization ⁽¹⁾ and provisions, net of reversals	31,049	64,054
Calculated expenses/(income) relating to stock options and similar	880	763
Other calculated expenses/(income) ⁽²⁾	192	5,559
Share of net income from associates and joint ventures	(2,432)	(1,727)
Dividends received from associates and joint ventures	3,687	2,525
Income from asset disposals	13,410	(766)
Expenses/(income) from net financial debt	44,516	35,009
Net financial interest in respect of lease agreements	360	344
Tax expense (including deferred tax)	793	495
Cash flow	149,197	152,987
Taxes received/(paid)	(707)	(569)
Change in working capital requirement relating to operations, excluding deposits and guarantees ⁽³⁾	8,555	(19,464)
Change in deposits and guarantees	4,489	1,313
Net cash flow from operating activities	161,535	134,267
Cash payments on acquisitions of:		
• investment properties and other fixed assets	(28,780)	(22,532)
• non-current financial assets	(19)	(4)
Cash receipts on disposals of:		
• investment properties and other fixed assets	131,202	3,964
• non-current financial assets	945	3,146
Investments in associates and joint ventures	(1,127)	(6,312)
Impact of changes in scope with change of control	-	-
Change in loans and advances granted	-	-
Net cash flow from investing activities	102,220	(21,740)
Dividends paid to shareholders of the parent company (final)	(92,643)	(89,565)
Dividends paid to shareholders of the parent company (interim)	-	-
Dividends paid to non-controlling interests	(60,897)	(9,780)
Capital increase and reduction	-	-
Other transactions with shareholders	-	-
Changes in treasury shares	(3,408)	(744)
Increase in borrowings and financial debt	518,707	109,000
Decrease in borrowings and financial debt	(422,000)	(192,204)
Repayment of lease liabilities	(1,356)	(1,231)
Interest received ⁽⁴⁾	21,102	17,880
Interest paid	(57,762)	(43,727)
Net cash flow from financing activities	(98,257)	(210,371)
CHANGE IN CASH POSITION	165,498	(97,844)
Net cash at beginning of period	118,155	215,999
Net cash at end of period	283,653	118,155
• of which cash and cash equivalents	283,653	118,155
• of which bank overdrafts	-	-
<i>(1) Depreciation and amortization exclude the impact of impairments on current assets</i>		
<i>(2) Other calculated expenses and income mainly comprise:</i>		
• discounting adjustments to construction leases	(197)	(207)
• lease rights received from tenants and spread over the firm term of the lease	200	2,920
• deferred financial expenses	666	648
• interest on non-cash loans and other financial income and expenses	(758)	2,024

(in thousands of euros)

	12/31/2024	12/31/2023
(3) The change in working capital requirement breaks down as follows:		
• trade receivables	5,170	(7,462)
• trade payables	1,651	(4,646)
• other receivables and payables	1,734	(7,356)
Total working capital requirement	8,555	(19,464)

(4) Primarily comprising interest received on debt hedging instruments in accordance with IAS 7.16.

1.2.2 Key developments in 2024

Change in the rental base

Following the agreements signed by the Casino group with Intermarché, Auchan and Carrefour, the majority of the retailers in the hypermarkets owned by Mercialis changed during the first half of 2024. In addition, on October 2, 2024, the Casino group indicated that it had completed the disposal of its subsidiary operating its activities in Corsica, with operations at the five Corsican hypermarkets and supermarkets owned by Mercialis switching to the Auchan banner.

On September 30, 2024, the Casino group voluntarily shut down operations at these two stores without prior notice. As the corresponding leases were due to expire at June 30, 2027, Mercialis immediately opened legal proceedings to dispute these closures, while at the same time holding talks with the Casino group regarding the transactional terms for early termination that would allow the hypermarkets to be relet and further strengthen the overall attractive commercial positioning of both sites. However, the Casino group has complied with its quarterly payment schedules, including the fourth quarter of 2024 and the first quarter of 2025.

Operations at four hypermarkets that are not owned by Mercialis, but that anchor small centers which it owns (Brive, Aurillac, Valence

and Dijon-Chenôve), were also shut down on this same date. In total, these centers represent 1.2% of the Company's net rental income (including casual leasing rents and excluding mid-size units whose flows are not significantly affected by the large food stores).

Financing

In September 2024, Mercialis successfully placed a Euro 300 million bond issue with a 7-year maturity and 4.0% coupon. Alongside this, the Company fully exercised the option for the early redemption of its bond maturing in July 2027, with a residual nominal total of Euro 200 million and a 4.625% coupon.

Sales operations

In July 2024, Mercialis sold four hypermarkets operated by Auchan and owned through Hyperthetis, in which the Company has a 51% stake, with 49% held by a fund managed by BNP Paribas REIM, for a net sales price of Euro 117.5 million. Mercialis also sold geographically dispersed assets for a total of Euro 7.9 million, as well as the non-strategic centers in Montauban and Rodez for a total price of Euro 9.9 million.

1.2.3 Summary of the main key indicators for the period

	12/31/2024
Organic growth in invoiced rents	+ 3.9%
EBITDA ⁽¹⁾	€147.2m
EBITDA/rental revenues	82.0%
Net recurrent earnings ⁽²⁾	€113.1m
Net recurrent earnings per share ⁽³⁾	€1.21
Fair value of the portfolio (including transfer taxes)	€2,761.2m
Change vs. December 31, 2023 (current basis)	- 3.9%
Change vs. December 31, 2023 (like-for-like)	+ 1.3%
EPRA NDV per share	€16.45
Change vs. December 31, 2023	- 3.8%
Loan To Value (LTV) – excluding transfer taxes	38.2%

(1) Earnings before interest, taxes, depreciation, amortization and other operating income and expenses.

(2) Net recurrent earnings = net income attributable to owners of the parent before amortization, gains or losses on disposals net of associated fees, any asset impairment and other non-recurring effects.

(3) Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares.

1.2.4 Review of activity

Main management indicators

The following table presents details of the **lease schedule**:

At 12/31/2024	Number of leases	Annual MGR* + variable rents (in millions of euros)	Share of leases expiring (% annual MGR + variable)
Expired at December 31, 2024	363	25.9	15.3%
2025	153	8.4	5.0%
2026	154	15.5	9.1%
2027	195	32.7	19.3%
2028	172	14.5	8.5%
2029	155	11.5	6.8%
2030	226	24.7	14.6%
2031	168	11.4	6.7%
2032	114	7.6	4.5%
2033	123	9.6	5.7%
2034 and beyond	104	7.4	4.4%
TOTAL	1,927	169.2	100%

(1) MGR: minimum guaranteed rent.

The stock of expired leases at end-2024 reflects the negotiations underway, refusals to renew leases with the payment of compensation for eviction, global negotiations for each retailer, tactical delays, etc.

At end-December 2024, the **collection rate** for rent and charges from 2024 was 97.7%, showing a further improvement compared with the end of 2023 (96.2%).

The **current financial vacancy rate** - which excludes "strategic" vacancies following decisions to facilitate the deployment of extension and redevelopment plans - came to 2.9% ⁽¹⁾ at December 31, 2024, almost stable compared with the level from end-June 2024 (3.0%) and end-2023 (2.9%). The **total vacancy rate** ⁽²⁾ was 4.1% at December 31, 2024, reflecting a significant improvement compared with June 30, 2024 and December 31, 2023 (4.4%).

The **reversion rate** for 2024, combined with the standard renewals and relettings, shows a slightly positive level of + 0.3%. In addition, Mercialis has worked on transitioning certain units to formats that are more adapted for leading retailers, helping drive footfall and therefore additional rental income over the medium term. These specific transformations saw the conversion of six stores into two mid-size units in Sainte-Marie and Besançon, with negative reversion of - 1.6%, and the repositioning of a mid-size store in Marseille for - 1.1%.

The **occupancy cost ratio** ⁽³⁾ was 10.8% at end-December 2024, compared with 10.9% at June 30, 2024 and 10.7% at end-2023. It is driving a rebound in reversion, while supporting the occupancy rate. Its sustainable level, even after the impact of indexation seen since 2022, reflects the excellent sales performance achieved by retailers, highlighting the attractive features of Mercialis' portfolio.

The rents received by Mercialis come from a very diverse range of retailers since, with the exception of food retailers, no other tenant represents more than 2% of total rental income.

Top 10 tenant retailers (excluding Casino group)

Feu Vert
Armand Thiery
Intersport
H&M
Nocibé
FNAC
Mango
Jules
Sephora
Histoire d'Or
14.6% OF CONTRACTUAL RENTS ON AN ANNUALIZED BASIS

(1) The occupancy rate, as with Mercialis' vacancy rate, does 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).

(3) Ratio between rent, charges (including marketing funds) and invoiced work paid by retailers and their sales revenue (excluding large food stores): (rent + charges + reinvoiced work including tax)/sales revenue including tax.

Exposure to large food stores represented 17.3% of Mercialys' invoiced rents at December 31, 2024 and 16.1% of economic rental income, with the following breakdown:

Retailer	% of consolidated rental income	% of economic rental income
Intermarché	5.8%	5.6%
Auchan	5.6%	5.2%
Carrefour	2.5%	2.1%
Brest and Niort hypermarkets ⁽¹⁾	2.3%	1.2%
Monoprix	0.8%	1.6%
Aldi	0.2%	0.2%
Lidl	0.1%	0.1%
TOTAL	17.3%	16.1%

(1) See §1.1.1 of this section.

The consolidated vision is calculated factoring in all of the rent paid by banners from the food retailers. The calculation of economic rental income factors in the adjustment:

- (i) downwards for the 49% minority interest held by BNP Paribas REIM in SAS Hyperthetis Participations and SAS Immosiris, which together own a total of six hypermarkets, and
- (ii) upwards for Mercialys' minority interest in SCI AMR, which holds three Monoprix stores and two hypermarkets.

The **breakdown by retailer** (international, national or local retailers) of contractual rents on an annualized basis is as follows:

	Number of leases	Annual MGR* + variable rents (€M)	Percentage of rent (%)	
			12/31/2023	12/31/2024
National and international retailers	1,349	145.3	86.8%	85.9%
Local retailers	578	23.9	13.2%	14.1%
TOTAL	1,927	169.2	100.0%	100.0%

* MGR: minimum guaranteed rent.

The **breakdown by business sector** (including large food stores) of Mercialys' rents is still highly diversified. The Company is rolling out its strategy to build balanced retail mixes, while continuing to scale back its exposure to textiles in favor of sectors such as health and beauty, culture, gifts and sports, as well as more innovative activities:

	Percentage of rent (%)	
	12/31/2023	12/31/2024
Dining	8.6%	8.9%
Health and beauty	13.0%	14.7%
Culture, gifts and sports	17.9%	19.0%
Personal items	28.9%	29.2%
Household equipment	7.7%	7.7%
Food-anchored tenants	20.9%	17.3%
Services	3.0%	3.2%
TOTAL	100.0%	100.0%

The rental income structure at December 31, 2024 shows that the majority of leases, in terms of overall rental income, include a variable clause. The Company's exposure to purely variable rents is however very limited, representing 1.8% of the rental base:

	Number of leases	Annual MGR + variable rents (€M)	Percentage of rent (%)	
	12/31/2024	12/31/2024	12/31/2023	12/31/2024
Leases with variable clause	1,257	109.1	61%	64%
• of which MGR		104.6	59%	62%
• of which variable rent with MGR		1.5	1%	1%
• of which variable rent without MGR		3.0	2%	2%
Leases without variable clause	670	60.1	39%	36%
TOTAL	1,927	169.2	100%	100%

The rental income structure at December 31, 2024 shows a predominant share of leases indexed against the French commercial rent index (ILC). In 2025, as a result of the lease anniversary dates, the indexation of Mercialis' rents will be linked for:

- 16% to the index published in the first quarter of 2024 (+ 4.6%);

- 22% to the index published in the second quarter of 2024 (+ 3.7%);
- 44% to the index published in the third quarter of 2024 (+ 3.0%); and
- 12% to the index published in the fourth quarter of 2024, with the other indexes representing a residual balance of 7%.

	Number of leases	Annual MGR + variable rents (€M)	Percentage of rent (%)	
	12/31/2024	12/31/2024	12/31/2023	12/31/2024
Leases index-linked to the commercial rent index (ILC)	1,682	158.6	96%	96%
Leases index-linked to the Construction Cost Index (ICC)	67	4.6	3%	3%
Leases index-linked to the tertiary activities rent index (ILAT) and non-adjustable leases	159	1.5	1%	1%
TOTAL	1,908	164.7	100%	100%

1.2.5 Review of consolidated results

1.2.5.1 Invoiced rents, rental revenues and net rental income

Rental revenues mainly comprise **rents invoiced** by the Company plus a smaller element of lease rights and despecialization indemnities paid by tenants and spread over the firm period of the lease (usually 36 months).

(in thousands of euros)	12/31/2023	12/31/2024	Change (%)
Invoiced rents	177,495	179,151	+ 0.9%
Lease rights and despecialization indemnities	515	384	- 25.5%
Rental revenues	178,010	179,534	+ 0.9%
Property taxes	(14,265)	(14,531)	+ 1.9%
Rebiling to tenants	12,048	12,153	+ 0.9%
Non-recovered property taxes	(2,217)	(2,378)	+7.2%
Service charges	(36,813)	(33,109)	- 10.1%
Rebiling to tenants	33,152	29,478	- 11.1%
Non-recovered service charges	(3,661)	(3,631)	- 0.8%
Management fees	(952)	(756)	- 20.6%
Rebiling to tenants	4,032	4,054	+ 0.6%
Losses on and impairment of receivables	(4,441)	(3,197)	- 28.0%
Other expenses	153	(1,313)	na
Net property operating expenses	(1,208)	(1,212)	+ 0.4%
NET RENTAL INCOME	170,924	172,314	+ 0.8%

The **+0.9 point** change in invoiced rents primarily reflects the following factors:

- the impact of indexation for **+4.0 points**, representing Euro +7.1 million;
- a **stable** contribution by Casual Leasing;
- the increase in variable rents for **+0.3 points**, representing Euro +0.5 million;
- the actions carried out on the portfolio for **-0.5 points**, representing Euro -0.8 million;
- the asset acquisitions and sales completed in 2023 and 2024 for **-2.8 points**, representing Euro -4.9 million;
- other effects primarily including strategic vacancies linked to current redevelopment programs for **-0.2 points**, representing Euro -0.3 million.

Taking into account the first four effects presented above, organic growth in invoiced rents shows an increase of **+3.9 points**.

Lease rights and despecialization indemnities ⁽¹⁾ billed over the period are not significant. After taking into account deferrals over the firm period of leases as required under IFRS, lease rights for 2024 totaled Euro 0.4 million, compared with Euro 0.5 million for 2023.

Rental revenues therefore came to Euro 179.5 million at December 31, 2024, up +0.9% from end-2023.

Net rental income is up +0.8% from 2023 to Euro 172.3 million. It corresponds to the difference between rental revenues and the costs that are directly allocated to the sites. These costs include property taxes and service charges that are not billed back to tenants, as well as net property operating expenses (primarily fees paid to the property manager that are not re-invoiced and various charges relating directly to site operations).

The costs included in the calculation of net rental income represent Euro 7.2 million for 2024, compared with Euro 7.1 million in 2023. The ratio of non-recovered property operating expenses to invoiced rents came to 4.0% for 2024, stable compared with 2023.

1.2.5.2 Management income, operating costs and EBITDA

(in thousands of euros)

	12/31/2023	12/31/2024	Change (%)
Net rental income	170,924	172,314	+ 0.8%
Management, administrative and other activities income	3,078	3,239	+ 5.2%
Other income and expenses	(4,433)	(7,865)	+ 77.5%
Personnel expenses	(20,169)	(20,526)	+ 1.8%
EBITDA	149,400	147,162	- 1.5%
% rental revenues	83.9%	82.0%	-

Management, administrative and other activities income includes:

- fees charged for services provided by certain Mercialis teams (in connection with advisory services provided by the asset management team, or shopping center management services provided by the teams on site);
- letting fees;
- asset management fees; and
- advisory fees.

relating to partnerships formed.

Fees charged in 2024 totaled Euro 3.2 million, compared with Euro 3.1 million for 2023.

No **property development margin** was recorded in 2024.

In 2024, no significant **other current income** was recorded. **Other current expenses** mainly comprise overheads. These overheads primarily include:

- financial communications costs;
- remuneration paid to members of the Board of Directors;
- corporate communications costs, shopping center communications costs;
- marketing research costs;
- professional fees: Statutory Auditors, consulting, research; and
- real estate portfolio appraisal costs.

For 2024, these expenses totaled Euro 7.9 million, compared with Euro 4.4 million in 2023.

Personnel expenses came to Euro 20.5 million in 2024, following a limited increase compared with 2023 (Euro 20.2 million). A portion of the personnel expenses may be charged back as fees, in connection with advisory services provided by the asset management team or shopping center management services provided by Mercialis' teams on site (see paragraph above concerning management, administrative and other activities income).

As a result, **EBITDA** ⁽²⁾ came to Euro 147.2 million in 2024, compared with Euro 149.4 million in 2023. The EBITDA margin was 82.0% (vs. 83.9% at December 31, 2023).

1.2.5.3 Net financial items

The net financial items taken into account to calculate net recurrent earnings represent a Euro 27.2 million net expense at December 31, 2024, reflecting a significant improvement compared with December 31, 2023 (Euro 29.6 million). This trend benefited from the proceeds from cash investments over the period, as well as the financial restructuring carried out in September 2024 (see §1.1.2 in this section).

This amount does not take into account non-recurring items, such as hedging ineffectiveness, the banking default risk, bond redemption premiums and costs, proceeds from unwinding hedging products and exceptional amortization.

(1) Compensation paid by a tenant to modify the purpose of their lease and be able to perform an activity other than that originally specified in the lease agreement.

(2) Earnings before interest, taxes, depreciation and amortization.

In connection with the debt restructuring carried out in September 2024, premiums and additional amortization were recorded in the accounts as a result of the redemption of a bond issue. These impacts are presented in the detailed breakdown of net financial items below:

(in thousands of euros)	12/31/2023	12/31/2024	Change (%)
Income from cash and cash equivalents (a)	3,185	6,727	na
Cost of debt taken out (b)	(34,730)	(35,148)	+ 1.2%
Impact of hedging instruments (c)	2,359	3,395	+ 43.9%
Cost of property finance leases (d)	0	0	na
Gross finance costs excluding exceptional items	(32,370)	(31,753)	- 1.9%
Exceptional amortization of costs relating to the early repayment of financial debt (e)	0	(1,654)	na
Gross finance costs (f) = (b) + (c) + (d) + (e)	(32,370)	(33,407)	+ 3.2%
Net finance costs (g) = (a) + (f) ⁽¹⁾	(29,186)	(26,680)	- 8.6%
Cost of revolving credit facility and bilateral loans (undrawn) (h)	(2,572)	(2,764)	+ 7.5%
Other financial expenses (i)	(436)	(418)	- 4.0%
Other financial expenses excluding exceptional items (j) = (h) + (i)	(3,008)	(3,182)	+ 5.8%
Costs on redemption operations and restructuring of debt and hedging instruments (k)	(8,900)	(17,951)	na
Other financial expenses (l) = (j) + (k)	(11,908)	(21,133)	+ 77.5%
Total financial expenses (m) = (f) + (l)	(44,279)	(54,540)	+ 23.2%
Income from associates	773	771	- 0.3%
Other financial income	0	0	na
Other financial income (n)	773	771	- 0.3%
Total financial income (o) = (a) + (n)	3,958	7,498	+ 89.4%
NET FINANCIAL ITEMS = (M) + (O)	(40,321)	(47,041)	+ 16.7%

(1) In accordance with the conditions for calculation set by the covenants for the Company's bank lines, net finance costs do not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding hedging operations.

1.2.5.4 Net recurrent earnings (NRE) and net income attributable to owners of the parent

A. Net recurrent earnings (NRE)

(in thousands of euros)	12/31/2023	12/31/2024	Change (%)
EBITDA	149,400	147,162	- 1.5%
Net financial income (excluding non-recurring items ⁽¹⁾)	(29,593)	(27,213)	- 8.0%
Reversals of/(Allowances for) provisions	(4,774)	(901)	- 81.1%
Other operating income and expenses (excluding capital gains or losses on disposals and impairment)	2,179	908	- 58.3%
Tax expense	(634)	(594)	- 6.3%
Share of net income from associates and joint ventures (excluding capital gains or losses, amortization and impairment)	3,574	3,431	- 4.0%
Non-controlling interests (excluding capital gains or losses, amortization and impairment)	(11,191)	(9,664)	- 13.6%
NRE	108,961	113,129	+ 3.8%
NRE per share ⁽²⁾	1.17	1.21	+ 3.7%

(1) Impact of hedging ineffectiveness, banking default risk, premiums, non-recurring amortization and costs relating to bond redemptions, proceeds and costs from unwinding hedging operations.

(2) Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares.

Other operating income and expenses (excluding capital gains or losses on disposals and impairment) came to Euro + 0.9 million (Euro + 2.2 million at end-2023), primarily reflecting the impact of

net reversals of provisions. Specifically, a Euro 2.1 million provision for a dispute concerning a site on Reunion Island, relating to an issue with the road network, was reversed at the end of June 2023.

The tax regime for French real estate investment trusts (SIIC) exempts them from paying tax on their income from real estate activities, provided that at least 95% of income from rental activities and 70% of gains or losses on the disposal of real estate assets are distributed to shareholders. The tax expenses recorded by Mercialis therefore concern the corporate value-added tax (CVAE), corporate income tax on activities that do not fall under the SIIC regime and deferred taxes.

2024 recorded a **tax expense** taken into account to calculate net recurrent earnings of Euro 0.6 million, primarily comprising the CVAE corporate value-added tax, stable compared with the end of 2023.

The **share of net income from associates and joint ventures (excluding capital gains or losses, amortization and impairment)** came to Euro 3.4 million at December 31, 2024, compared with Euro 3.6 million at December 31, 2023. The companies consolidated under the equity method in Mercialis' consolidated financial statements include:

- SCI AMR, created in partnership with Amundi Immobilier in 2013 and in which Mercialis has a 25% stake;
- SNC Aix 2, in which Mercialis acquired a 50% stake in December 2013, with Altarea Cogedim owning the other 50%;
- Corin Asset Management SAS, in which Mercialis has a 40% stake;

- SAS Saint-Denis Genin, in which Mercialis has a 30% stake;
- DEPUR Expériences, in which Mercialis has a 22.9% stake, and ImocomPartners, in which Mercialis has a 30% interest.

Over the year, the change in financing conditions for the SCI AMR scope offset the positive impact of indexation on rental income for these companies.

Non-controlling interests (excluding capital gains or losses, amortization and impairment) came to Euro 9.7 million at December 31, 2024, compared with Euro 11.2 million at December 31, 2023. They are linked to the 49% stake held by BNP Paribas REIM in the companies Hyperthetis Participations and Immosiris. As Mercialis retains exclusive control, these subsidiaries are fully consolidated. The decrease in minority interests reflects the disposal of the four hypermarkets 49%-owned by BNP Paribas REIM through Hyperthetis Participations, completed in July 2024.

In view of these items, net recurrent earnings⁽¹⁾ came to Euro 113.1 million (compared with Euro 109.0 million for 2023), up +3.8%. Considering the average number of shares (basic) at end-December, net recurrent earnings represent Euro 1.21 per share at December 31, 2024 (+3.7% over the period), outperforming the full-year target for growth of over +2.0%.

B. Net income attributable to owners of the parent

(in thousands of euros)	12/31/2023	12/31/2024	Change (%)
NRE	108,961	113,129	+ 3.8%
Depreciation and amortization	(38,540)	(37,828)	- 1.8%
Other operating income and expenses	(22,447)	(7,195)	- 67.9%
Hedging ineffectiveness, banking default risk and net impact of bond redemptions and hedging operations	(10,589)	(20,028)	+ 89.1%
Share of net income from associates, joint ventures and non-controlling interests (amortization, impairment and capital gains or losses)	15,987	5,681	- 64.5%
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	53,373	53,759	+ 0.7%

Depreciation and amortization came to Euro 37.8 million at June 30, 2024, compared with Euro 38.5 million at December 31, 2023, with this change reflecting the investments made by Mercialis over the period.

Other operating income and expenses not included in net recurrent earnings correspond notably to the amount of net capital gains or losses on property disposals and provisions for impairment of assets.

Other operating income came to Euro 153.0 million at December 31, 2024, compared with Euro 7.2 million at December 31, 2023. This amount mainly includes:

- income from disposals (Euro 144.3 million);
- income relating to adjustments for previous sales (Euro 1.6 million);
- reversals of impairments for investment properties (Euro 7.2 million).

Other operating expenses totaled Euro -160.2 million at December 31, 2024, compared with Euro -29.6 million at December 31, 2023. They correspond primarily to:

- the net book value of the assets sold (Euro -146.9 million);
- expenses relating to adjustments for previous sales (Euro -3.9 million);
- provisions recorded for the impairment of investment properties (Euro -9.3 million).

The amount of net capital gains or losses recorded in the consolidated financial statements at December 31, 2024 came to Euro -2.6 million (vs. Euro +1.5 million for 2023).

Lastly, in 2024, Mercialis recorded various impacts for the refinancing operations presented in §1.2 of this section, including the redemption premium for the bond issue due to mature in July 2027 and the exceptional amortization also resulting from this redemption. These amounts, combined with the impact of the ineffectiveness of swaps, the banking default risk and the net proceeds and costs linked to unwinding hedging operations in connection with the bond debt, represent a total of Euro 19.9 million.

Net income attributable to owners of the parent, as defined by IFRS, came to Euro 53.8 million for 2024, compared with Euro 53.4 million for 2023.

(1) Net recurrent earnings correspond to net income before amortization, gains or losses on disposals net of associated fees, potential asset impairments and other non-recurring effects.

1.2.5.5 Financial structure

A. Cash, cost of debt and debt structure

Cash and cash equivalents came to Euro 283.7 million at December 31, 2024, compared with Euro 118.2 million at December 31, 2023. The main cash flows that impacted the change in Mercialis' cash position over the period were as follows:

- net cash flow from operating activities during the period: Euro + 161.5 million;
- cash receipts/payments related to disposals/acquisitions of assets completed in 2024: Euro + 102.2 million;
- dividend payments to parent company shareholders and non-controlling interests: Euro - 153.5 million;
- issues and repayment of borrowings net of the change in outstanding commercial paper: Euro + 96.7 million;
- net interest paid: Euro - 36.7 million.

At December 31, 2024, Mercialis' **drawn debt** totaled Euro 1,292 million, with the following breakdown:

- a bond issue for a nominal amount of Euro 300 million, with a fixed coupon of 1.8%, maturing in February 2026;
- a private bond placement for a nominal amount of Euro 150 million, with a fixed coupon of 2.0%, maturing in November 2027;
- a bond issue for a nominal amount of Euro 500 million, with a fixed coupon of 2.5%, maturing in February 2029;
- a bond issue for a nominal amount of Euro 300 million, with a fixed coupon of 4.0%, maturing in September 2031;
- Euro 42 million of outstanding commercial paper, with an average rate of around 3.0%.

The **real average cost of drawn debt** remained under control at 2.0% at December 31, 2024, showing an improvement of 20bp compared with June 30, 2024 and 30bp *versus* end-2023. The

proceeds from cash investments and the favorable impact of the financial restructuring carried out in September 2024 offset the extinguishing of the fixed/floating rate products set up in previous years.

The **average maturity of drawn debt**, including commercial paper, was 3.8 years at end-December 2024, compared with 3.3 years at end-June 2024 and 3.8 years at December 31, 2023.

In a context of high interest rate volatility, Mercialis maintained a **fixed-rate debt position of 99%** at end-December 2024 (including commercial paper). Considering the hedging instruments in place, and the historical fixed/floating rate products gradually extinguished, the fixed-rate debt level (at constant debt level) is expected to be 96% at end-2025.

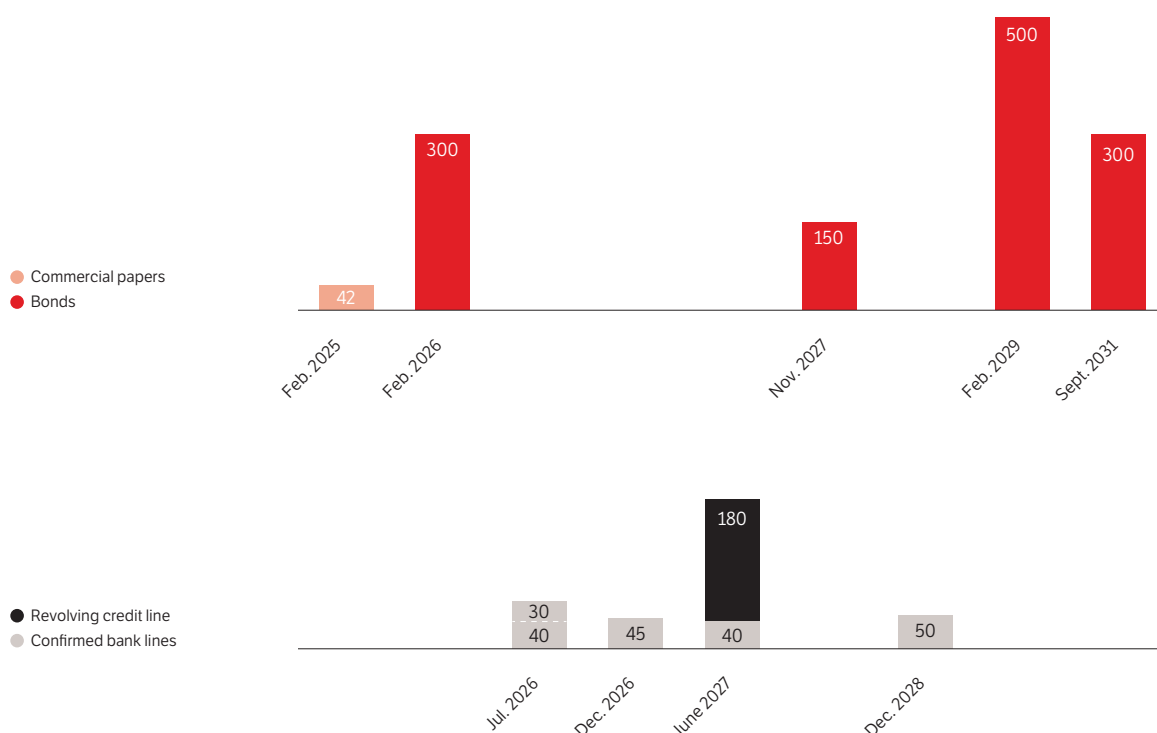
Net financial debt came to Euro 1,002.9 million at December 31, 2024, compared with Euro 1,063.6 million at December 31, 2023.

Mercialis also has Euro 385 million of **undrawn financial resources**, enabling it to benefit from a satisfactory level of liquidity:

- a Euro 180 million revolving bank credit facility, maturing in June 2027. The EURIBOR margin is 155bp (for a BBB rating); if undrawn, this facility is subject to payment of a non-use fee representing 40% of the margin;
- five confirmed bilateral bank facilities for a total of Euro 205 million, maturing between July 2026 and December 2028. The EURIBOR margins are 155 basis points or lower (for a BBB rating) or fixed rate; if undrawn, these facilities are subject to payment of a non-use fee representing up to 40% of the margins;
- a commercial paper program set up during the second half of 2012, with Euro 42 million used (outstanding at December 31, 2024).

All of the undrawn bank resources include ESG criteria.

The chart below shows Mercialis' bond debt maturity schedule and undrawn financial resources at December 31, 2024:



B. Bank covenants and credit rating

Mercialys' financial position at December 31, 2024 continued to be very healthy and satisfied all the covenants included in the various credit agreements.

The **Loan To Value (LTV) ratio excluding transfer taxes** came to 38.2% at end-December 2024, compared with 38.9% at end-December 2023 and 40.0% at June 30, 2024, well below the contractual covenant of 55% applying to the confirmed bank lines. The LTV including transfer taxes was 35.7% at end-December 2024, compared with 36.4% at end-December 2023 and 37.4% at June 30, 2024.

	12/31/2023	12/31/2024
Net financial debt (€M)	1,063.6	1,002.9
Appraisal value excluding transfer taxes (€M) ⁽¹⁾	2,737.4	2,627.5
LOAN TO VALUE (LTV) - EXCLUDING TRANSFER TAXES	38.9%	38.2%

⁽¹⁾ Including the market value of investments in associates for Euro 43.9 million for 2024 and Euro 45.1 million for 2023, since the value of the portfolio held by associates is not included in the appraisal value.

Likewise, the **ratio of EBITDA/net finance costs (ICR: Interest Coverage Ratio)** was 5.5x at end-December 2024, significantly higher than the contractual covenant (ICR > 2x), compared with 5.1x at end-December 2023 and 5.5x at end-June 2024.

	12/31/2023	12/31/2024
EBITDA (€M)	149.4	147.2
Net finance costs (€M) ⁽¹⁾	(29.2)	(26.7)
INTEREST COVERAGE RATIO (ICR)	5.1X	5.5X

⁽¹⁾ In accordance with the conditions for calculation set by the covenants for the Company's bank lines, net finance costs do not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding hedging operations.

The two other contractual covenants are also met:

- the **fair value of assets excluding transfer taxes** at December 31, 2024 was Euro 2.6 billion, which sets a fair value of investment properties excluding transfer taxes of over Euro 1 billion;

- zero **pledged debt** at December 31, 2023, below the covenant, which caps the pledged debt to fair value ratio excluding transfer taxes at 20%.

Mercialys is rated by Standard & Poor's, which confirmed Mercialis' BBB/stable outlook rating on October 24, 2024.

1.2.5.6 Equity and ownership structure

Consolidated equity totaled Euro 762.0 million at December 31, 2024, compared with Euro 866.1 million at December 31, 2023.

The main changes that affected consolidated equity during the year were as follows:

- net income for 2024: Euro + 56.7 million;

- payment of the 2023 dividend of Euro 0.99 per share and dividends paid to non-controlling interests: Euro - 153.5 million;
- transactions on treasury shares: Euro - 2.5 million;
- change in fair value of financial assets and derivatives: Euro - 4.7 million.

The **number of outstanding shares** at December 31, 2024 was 93,886,501, unchanged since December 31, 2023.

	2022	2023	2024
Number of shares outstanding			
• At start of period	93,886,501	93,886,501	93,886,501
• At end of period	93,886,501	93,886,501	93,886,501
Average number of shares outstanding	93,886,501	93,886,501	93,886,501
Average number of shares (basic)	93,384,221	93,305,357	93,435,731
Average number of shares (diluted)	93,384,221	93,305,357	93,435,731

At December 31, 2024, Mercialis' shareholding structure had the following breakdown: treasury stock (0.87%), other shareholders (99.13%).

A shareholder informed the AMF that it held more than 5.0% of the capital or voting rights: BlackRock Inc., acting on behalf of clients and funds under management, held 5,624,902 shares, representing 5.99% of the capital and voting rights, as of November 20, 2024.

1.2.5.7 Dividends

Mercialys' Board of Directors will submit a proposal at the General Meeting on April 29, 2025 for a dividend of Euro 1.00 per share, compared with a dividend of Euro 0.99 per share for 2023. The payout corresponds to 83% of 2024 net recurrent earnings and offers a yield of 6.1% on the NDV of Euro 16.45 per share at end-2024 and 9.9% on the year's closing price.

For the last three years, Mercialys will have paid out Euro 2.95 of dividends, representing 84% of its recurrent earnings and providing an average yield of 9.9% for its shareholders over this period.

This proposed dividend for 2024 is based on the distribution requirement with the SIIC tax status concerning exempt profits from:

- property rental or sub-letting operations (including dividends paid by the subsidiaries subject to the SIIC system), i.e. Euro 0.78 per share;
- the distribution of exempt income recorded on the Company's balance sheet for Euro 0.22 per share.

The ex-dividend date is May 2, 2025, with the dividend to be paid on May 6, 2025.

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1.2.6 Changes in scope and valuation of the asset portfolio

1.2.6.1 Disposals and investments

In July 2024, Mercialys completed the disposal of four hypermarkets in which it had a 51% interest, with the remaining 49% owned by a fund managed by BNP Paribas REIM, as well as ancillary lots belonging to the Company, for a total net sales price of Euro 117.5 million. These hypermarkets were operated by Auchan, with this divestment operation helping balance the Company's rental exposure between the various food operators.

In addition, Mercialys sold geographically dispersed assets for a combined net sales price of Euro 7.9 million, as well as the non-strategic centers in Rodez and Montauban for a total net sales price of Euro 9.9 million.

These arbitrage operations enabled Mercialys to further strengthen its already solid financial position and its ability to roll out a strategy for growth, through its development pipeline or asset acquisitions, as described in §1.1.3 of this section.

1.2.6.2 Appraisal valuations and changes in scope

Mercialys' property portfolio is appraised twice yearly by independent experts.

At December 31, 2024, BNP Paribas Real Estate Valuation, Catella Valuation, Jones Lang LaSalle, CBRE and BPCE Expertises Immobilières updated their valuation of Mercialys' portfolio:

- BNP Paribas Real Estate Valuation conducted the appraisal of 17 sites at December 31, 2024, based on an on-site inspection of six sites during the second half of 2024 and an update of the June 30, 2024 appraisals for the other sites;
- Catella Valuation conducted the appraisal of 12 sites at December 31, 2024, based on an update of the appraisals carried out at June 30, 2024;
- Jones Lang LaSalle valued five sites at December 31, 2024, based on on-site inspections of all five sites during the second half of 2024;
- CBRE valued one site at December 31, 2024 based on an on-site inspection during the second half of 2024;
- BPCE Expertises Immobilières conducted the appraisal of 16 sites at December 31, 2024, based on an update of the appraisals carried out at June 30, 2024.

On this basis, the portfolio value was Euro 2,761.2 million including transfer taxes at December 31, 2024, up +1.3% like-for-like from end-2023. The appraisal value excluding transfer taxes is up +1.1% like-for-like, with the positive impact of rental income (+3.3%) offsetting the impact of a slight increase in rates.

	Appraisal value at 12/31/2024	Current basis		Like-for-like basis ⁽¹⁾	
		Change over last 6 months	Change over last 12 months	Change over last 6 months	Change over last 12 months
Value excluding transfer taxes	2,583.7	- 4.3%	- 4.0%	+ 0.7%	+ 1.1%
Value including transfer taxes	2,761.2	- 4.1%	- 3.9%	+ 0.9%	+ 1.3%

(1) Sites on a constant scope and a constant surface area basis.

The average appraisal yield rate was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at end-2023. This change shows a positive yield spread of 344bp compared with the risk-free rate (10-year OAT) at end-December.

Type of property	Average yield rate 12/31/2023	Average yield rate Jun 30, 2024	Average yield rate 12/31/2024
Regional and large shopping centers	6.34%	6.47%	6.44%
Neighborhood shopping centers	8.26%	7.99%	8.15%
Total portfolio ⁽¹⁾	6.61%	6.68%	6.65%

(1) Including the two dispersed assets.

The following table presents the breakdown of Mercialys' portfolio by fair value and gross leasable area (GLA) by type of property at December 31, 2024, as well as the corresponding appraised rental income:

Type of property	Number of assets 12/31/2024	Appraisal value (excl. transfer taxes) 12/31/2024		Appraisal value (including transfer taxes) 12/31/2024		Gross leasable area 12/31/2024		Appraised potential net rental income	
		(€M)	(%)	(€M)	(%)	(sq.m)	(%)	(€M)	(%)
Regional and large shopping centers	25	2,240.6	86.7%	2,394.4	86.7%	574,544	81.7%	154.3	84.0%
Neighborhood shopping centers	19	331.1	12.8%	354.0	12.8%	124,762	17.7%	28.9	15.7%
Subtotal	44	2,571.7	99.5%	2,748.4	99.5%	699,306	99.4%	183.2	99.7%
Other sites	2	12.0	0.5%	12.8	0.5%	3,987	0.6%	0.5	0.3%
TOTAL	46	2,583.7	100%	2,761.2	100%	703,293	100%	183.6	100%

1.2.7 Outlook

2025 net recurrent earnings, reflecting the Company's solid underlying operational performance, will be impacted in particular by the disposals completed in 2024 and the upcoming refinancing of the bond issue maturing in February 2026. Mercialys has therefore set itself the following objectives:

- NRE per share of Euro 1.22 to Euro 1.25;
- Dividend per share of at least Euro 1.00.

1.2.8 Subsequent events

There are no significant events to report following the 2024 financial year-end.

1.2.9 EPRA performance measurements

Mercialys applies the EPRA ⁽¹⁾ recommendations for the indicators provided below. EPRA is the representative organization for listed real estate companies in Europe and issues recommendations on performance indicators to improve the comparability of financial statements published by the various companies.

In its half-year financial report and its Universal Registration Document, Mercialys publishes all the EPRA indicators defined by the Best Practices Recommendations, which can be found on EPRA's website. The following table summarizes the EPRA indicators at end-December 2024, end-June 2024 and end-December 2023:

	12/31/2023	Jun 30, 2024	12/31/2024
EPRA earnings (€ per share)	1.17	0.63	1.21
EPRA NRV (€ per share)	18.25	17.80	18.23
EPRA NTA (€ per share)	16.29	15.85	16.29
EPRA NDV (€ per share)	17.10	16.53	16.45
EPRA net initial yield (%)	5.97%	6.04%	5.93%
EPRA topped-up net initial yield (%)	6.05%	6.13%	6.04%
EPRA vacancy rate (%)	4.4%	4.4%	4.1%
EPRA cost ratio (including direct vacancy costs) (%)	17.8%	18.6%	19.8%
EPRA cost ratio (excluding direct vacancy costs) (%)	16.1%	17.0%	18.1%
EPRA capital expenditure (€M)	22.5	11.0	28.8
EPRA LTV (%)	41.2%	42.4%	40.2%
EPRA LTV including transfer taxes (%)	38.7%	39.8%	37.7%

1.2.9.1 EPRA earnings and earnings per share

The following table shows the relationship between net income attributable to owners of the parent and earnings per share as defined by EPRA:

(in millions of euros)	12/31/2023	06/30/2024	12/31/2024
Net income attributable to owners of the parent	53.4	36.3	53.8
Share of net income from associates, joint ventures and non-controlling interests (amortization, impairment and capital gains or losses)	(16.0)	(0.2)	(5.7)
Hedging ineffectiveness, banking default risk and net impact of bond redemptions and hedging operations	10.6	4.4	20.0
Other operating income and expenses	22.4	(0.2)	7.2
Depreciation and amortization	38.5	19.1	37.8
EPRA EARNINGS	109.0	59.3	113.1
Average number of shares (basic)	93,305,357	93,483,692	93,435,731
EPRA EARNINGS PER SHARE (€)	1.17	0.63	1.21

The calculation of the net recurrent earnings (NRE) reported by Mercialys is identical to that for the EPRA earnings. There are no adjustments to be made between these two indicators.

(1) European Public Real Estate Association.

1.2.9.2 EPRA Net Asset Value (NAV, NNNAV, NRV, NTA, NDV)

	12/31/2023		
	EPRA NRV	EPRA NTA	EPRA NDV
<i>(in millions of euros)</i>			
IFRS equity attributable to shareholders	677.2	677.2	677.2
Includes ⁽¹⁾/Excludes ⁽²⁾:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	677.2	677.2	677.2
Includes ⁽¹⁾:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	843.8	843.8	843.8
ii.b) Revaluation of IPUC ⁽³⁾ (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments ⁽⁴⁾	10.9	10.9	10.9
iii) Revaluation of tenant leases held as finance leases ⁽⁵⁾	0.0	0.0	0.0
iv) Revaluation of trading properties ⁽⁶⁾	0.0	0.0	0.0
EPRA diluted NAV at fair value	1,532.0	1,532.0	1,532.0
Excludes ⁽²⁾:			
v) Deferred tax in relation to fair value gains of IP ⁽⁷⁾	0.0	0.0	
vi) Fair value of financial instruments	(9.2)	(9.2)	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		(3.1)	
Includes ⁽¹⁾:			
ix) Fair value of fixed interest rate debt			62.6
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax ⁽⁸⁾	179.7	0.0	
NAV	1,702.5	1,519.7	1,594.6
Fully diluted number of shares at end of period	93,278,112	93,278,112	93,278,112
NAV per share (€)	18.25	16.29	17.10

(1) "Include" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted.

(2) "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

(3) Difference between development property held on the balance sheet at cost and fair value of that development property.

(4) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line.

(5) Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables.

(6) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.

(7) Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines.

(8) Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines.

06/30/2024

(in millions of euros)

	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to shareholders	623.6	623.6	623.6
Includes ⁽¹⁾/Excludes ⁽²⁾:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	623.6	623.6	623.6
Includes ⁽¹⁾:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	860.3	860.3	860.3
ii.b) Revaluation of IPUC ⁽³⁾ (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments ⁽⁴⁾	10.4	10.4	10.4
iii) Revaluation of tenant leases held as finance leases ⁽⁵⁾	0.0	0.0	0.0
iv) Revaluation of trading properties ⁽⁶⁾	0.0	0.0	0.0
EPRA diluted NAV at fair value	1,494.2	1,494.2	1,494.2
Excludes ⁽²⁾:			
v) Deferred tax in relation to fair value gains of IP ⁽⁷⁾	0.0	0.0	
vi) Fair value of financial instruments	(9.8)	(9.8)	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		(3.2)	
Includes ⁽¹⁾:			
ix) Fair value of fixed interest rate debt			50.8
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax ⁽⁸⁾	179.3	0.0	
NAV	1,663.8	1,481.2	1,545.0
Fully diluted number of shares at end of period	93,448,370	93,448,370	93,448,370
NAV per share (€)	17.80	15.85	16.53

(1) "Include" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted.

(2) "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

(3) Difference between development property held on the balance sheet at cost and fair value of that development property.

(4) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line.

(5) Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables.

(6) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.

(7) Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines.

(8) Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines.

	12/31/2024		
	EPRA NRV	EPRA NTA	EPRA NDV
(in millions of euros)			
IFRS equity attributable to shareholders	631.1	631.1	631.1
Includes ⁽¹⁾/Excludes ⁽²⁾:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	631.1	631.1	631.1
Includes ⁽¹⁾:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	880.2	880.2	880.2
ii.b) Revaluation of IPUC ⁽³⁾ (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments ⁽⁴⁾	10.1	10.1	10.1
iii) Revaluation of tenant leases held as finance leases ⁽⁵⁾	0.0	0.0	0.0
iv) Revaluation of trading properties ⁽⁶⁾	0.0	0.0	0.0
EPRA diluted NAV at fair value	1,521.4	1,521.4	1,521.4
Excludes ⁽²⁾:			
v) Deferred tax in relation to fair value gains of IP ⁽⁷⁾	0.0	0.0	
vi) Fair value of financial instruments	(2.3)	(2.3)	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		(3.4)	
Includes ⁽¹⁾:			
ix) Fair value of fixed interest rate debt			9.6
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax ⁽⁸⁾	177.5	0.0	
NAV	1,696.6	1,515.6	1,531.0
Fully diluted number of shares at end of period	93,067,643	93,067,643	93,067,643
NAV per share (€)	18.23	16.29	16.45

(1) "Include" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted.

(2) "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

(3) Difference between development property held on the balance sheet at cost and fair value of that development property.

(4) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line.

(5) Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables.

(6) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.

(7) Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines.

(8) Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines.

1.2.9.3 EPRA Net Initial Yield and EPRA topped-up Net Initial Yield

The following table presents the transition between the yield rate reported by Mercialis and the yield rates defined by EPRA:

<i>(in millions of euros)</i>	12/31/2023	06/30/2024	12/31/2024
Investment property– wholly owned	2,692.3	2,700.0	2,583.7
Assets under development (-)	0.0	0.0	0.0
Completed property portfolio excluding transfer taxes	2,692.3	2,700.0	2,583.7
Transfer taxes	179.7	179.3	177.5
Completed property portfolio including transfer taxes	2,872.0	2,879.4	2,761.2
Annualized rental revenues	178.8	181.3	171.1
Non-recoverable expenses (-)	(7.4)	(7.4)	(7.3)
Annualized net rents	171.4	173.9	163.8
Notional gain relating to expiration of step-up rents, rent-free periods or other lease incentives	2.3	2.6	3.0
Topped-up net annualized rent	173.7	176.5	166.9
EPRA NET INITIAL YIELD	5.97%	6.04%	5.93%
EPRA "TOPPED-UP" NET INITIAL YIELD	6.05%	6.13%	6.04%

1.2.9.4 EPRA vacancy rate

The vacancy rate is calculated based on: rental value of vacant units/(annualized minimum guaranteed rent on occupied units + rental value of vacant units).

The EPRA vacancy rate was 4.1% at end-December 2024, showing an improvement compared with the end of June 2024 and end-December 2023 (4.4%). "Strategic" vacancies following decisions to facilitate extension or redevelopment plans represent 119bp within this vacancy rate.

<i>(in millions of euros)</i>	12/31/2023	06/30/2024	12/31/2024
Rental value of vacant units	8.2	8.3	7.3
Rental value of the entire portfolio	185.5	189.4	179.1
EPRA VACANCY RATE	4.4%	4.4%	4.1%

1.2.9.5 EPRA cost ratios

(in millions of euros)	12/31/2023	06/30/2024	12/31/2024	Comments
Administrative and operating expense line per IFRS income statement	(24.6)	(12.9)	(28.4)	Personnel expenses and other costs
Net service charge costs/fees	(5.9)	(4.3)	(6.0)	Property taxes and non-recovered service charges (including vacancy costs)
Rental management fees	3.1	1.7	3.3	Rental management fees
Other income and expenses	(4.3)	(1.6)	(4.5)	Other property operating income and expenses excluding management fees
Share of joint venture administrative and operating expenses	0.0	0.0	0.0	
Total	(31.7)	(17.0)	(35.6)	
Adjustments to calculate the EPRA cost ratio exclude (if included above):				
• Depreciation and amortization	0.0	0.0	0.0	Depreciation and provisions for fixed assets
• Ground rent costs	0.0	0.0	0.0	Non-group rents paid
• Service charges recovered through comprehensive invoicing (with rent)	0.0	0.0	0.0	
EPRA costs (including vacancy costs) (A)	(31.7)	(17.0)	(35.6)	A
Direct vacancy costs ⁽¹⁾	3.0	1.5	3.1	
EPRA costs (excluding vacancy costs) (B)	(28.7)	(15.6)	(32.5)	B
Gross rental income less ground rent costs ⁽²⁾	178.0	91.6	179.5	Less costs relating to construction leases and long-term ground leases
Less: Service fee and service charge cost components of gross rental revenues	0.0	0.0	0.0	
Plus: Share of joint ventures' gross rental revenues (less ground rent costs)	0.0	0.0	0.0	
Rental revenues (C)	178.0	91.6	179.5	C
EPRA COST RATIO INCLUDING DIRECT VACANCY COSTS	17.8%	18.6%	19.8%	A/C
EPRA COST RATIO EXCLUDING DIRECT VACANCY COSTS	16.1%	17.0%	18.1%	B/C

(1) The EPRA cost ratio deducts all vacancy costs for assets undergoing development /refurbishment if they have been expensed. The costs that can be excluded are property taxes, service charges, contributions to marketing costs, insurance premiums, carbon tax, and any other costs directly related to the property.

(2) Rental revenues should be calculated after deducting any ground rent payable. All service charges, management fees and other income in respect of property expenses must be added and not deducted. If the rent includes service charges, these should be restated to exclude them. Tenant incentives may be deducted from rental income, whereas any other costs should be recognized in line with IFRS requirements.

1.2.9.6 EPRA capital expenditure

The following table presents the property-related capital expenditure for the period:

	12/31/2023			06/30/2024			12/31/2024		
	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total
<i>(in millions of euros)</i>									
Acquisitions	2.2	0.0	2.2	0.0	0.0	0.0	1.2	0.0	1.2
Developments	2.1	0.0	2.1	1.2	0.0	1.2	1.7	0.0	1.7
Investment property	17.7	0.0	17.7	9.1	0.0	9.1	24.7	0.0	24.7
<i>Incremental lettable space</i>	4.8	0.0	4.8	1.4	0.0	1.4	5.4	0.0	5.4
<i>No incremental lettable space</i>	9.2	0.0	9.2	6.5	0.0	6.5	15.0	0.0	15.0
<i>Tenant incentives</i>	3.0	0.0	3.0	1.0	0.0	1.0	3.1	0.0	3.1
<i>Other material non-allocated types of expenditure</i>	0.7	0.0	0.7	0.2	0.0	0.2	1.2	0.0	1.2
Capitalized interest (if applicable)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capex	22.0	0.0	22.0	10.3	0.0	10.3	27.5	0.0	27.5
Conversion from accrual to cash basis	0.5	0.0	0.5	0.7	0.0	0.7	1.3	0.0	1.3
TOTAL CAPEX ON CASH BASIS	22.5	0.0	22.5	11.0	0.0	11.0	28.8	0.0	28.8

Capital expenditure relating to **investment property** includes:

- under “incremental lettable space”, primarily work relating to the traditional project portfolio (shopping center transformations, mixed-use urban projects);
- under “no incremental lettable space”, primarily maintenance capex;
- under “other material non-allocated types of expenditure”, expenditure relating to the Company’s IT, its marketing and digital ecosystem, and its CSR approach.

1.2.9.7 EPRA LTV

The following table details the Loan To Value (LTV) ratio, as determined by EPRA. This indicator differs from the calculation carried out by the Company, as presented above, which also represents the reference for the various bank covenants.

Ratio at December 31, 2023

<i>(in millions of euros)</i>		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
	Borrowings from financial institutions		40.7		(0.7)	40.0
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,139.8				1,139.8
Includes	Foreign currency derivatives (futures, swaps, options and forwards)	(5.8)				(5.8)
	Net payables		0.3			0.3
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	(118.2)	(4.3)		12.3	(110.1)
Net debt (a)		1,057.8	36.7		11.6	1,106.2
	Owner-occupied property:					
	Investment properties at fair value:	2,692.3	87.1		(154.0)	2,625.4
	Properties held for sale					
Includes	Properties under development					
	Intangibles	3.1				3.1
	Net receivables	31.0			(1.3)	29.7
	Financial assets	23.5	(4.6)	5.4		24.3
Total property value (b)		2,750.0	82.5	5.4	(155.3)	2,682.5
	EPRA LTV (a)/(b)					41.2%
	Real estate transfer taxes (c)	179.7	6.2		(10.6)	175.3
	EPRA LTV including real estate transfer taxes (a)/(b) + (c)					38.7%

Ratio at June 30, 2024

(in millions of euros)		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
	Borrowings from financial institutions		40.5			40.5
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,142.8				1,142.8
Includes	Foreign currency derivatives (futures, swaps, options and forwards)	(7.5)				(7.5)
	Net payables		0.1		(1.1)	(1.0)
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	(88.2)	(3.8)		15.6	(76.4)
Net debt (a)		1,089.1	36.8		14.5	1,140.4
	Owner-occupied property:					
	Investment properties at fair value:	2,578.2	86.6		(95.4)	2,569.3
	Properties held for sale	121.9			(55.0)	66.8
Includes	Properties under development					
	Intangibles	3.2				3.2
	Net receivables	24.9				24.9
	Financial assets	23.4	(4.6)	5.5		24.3
Total property value (b)		2,751.5	81.9	5.5	(150.5)	2,688.5
	EPRA LTV (a)/(b)					42.4%
	Real estate transfer taxes (c)	179.3	6.1		(10.4)	175.0
	EPRA LTV including real estate transfer taxes (a)/(b) + (c)					39.8%

Ratio at December 31, 2024

<i>(in millions of euros)</i>		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
	Borrowings from financial institutions		40.7			40.7
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,244.6				1,244.6
Includes	Foreign currency derivatives (futures, swaps, options and forwards)	(0.4)				(0.4)
	Net payables					
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	(283.7)	(3.7)		15.9	(271.5)
Net debt (a)		1,002.6	37.0		15.8	1,055.4
	Owner-occupied property:					
	Investment properties at fair value:	2,583.6	85.9		(95.7)	2,573.8
	Properties held for sale					
Includes	Properties under development					
	Intangibles	3.4				3.4
	Net receivables	21.5	0.8		(0.7)	21.6
	Financial assets	23.1	(4.6)	6.5		25.0
Total property value (b)		2,631.7	82.0	6.5	(96.4)	2,623.8
	EPRA LTV (a)/(b)					40.2%
	Real estate transfer taxes (c)	177.5	6.0		(6.6)	177.0
	EPRA LTV including real estate transfer taxes (a)/(b) + (c)					37.7%

1.3 Real estate portfolio

1.3.1 Portfolio valued at Euro 2,761.2 million including transfer taxes at December 31, 2024

1.3.1.1 Experts and methodology

The shopping centers owned by Mercialis are appraised by experts in accordance with the Royal Institution of Chartered Surveyors (RICS) Code of Ethics, appraisal and valuation standards, using the fair value appraisal methods recommended by the 1998 Property Appraisal and Valuation Charter and the 2000 report published by the joint working group of the *Commission des Opérations de Bourse* (COB) and the *Conseil National de la Comptabilité* (CNC) on property asset valuations for listed companies.

Mercialys also complies with the Code of Ethics for French REITs (Sociétés d'Investissement Immobilier Cotées - SIIC) in terms of the rotation of appraisers. In accordance with the AMF recommendations concerning the rotation of real estate appraisers, Mercialys launched a call for tenders in 2024 covering 12% of the assets to be valued. This followed the call for tenders issued in 2022, covering 83% of the assets to be valued. This led to the appointment of new appraisers, which began working during the second half of 2024. The appraisers' fees are determined based on the number and size of the assets to be valued when signing the three-year contract.

All of the assets in Mercialys' portfolio have been valued, with those undergoing full appraisals subject to town planning surveys, market and competition studies, and site visits. In accordance with the 2000 COB/CNC report, two methods have been used to determine the fair value of each asset:

- first, the capitalization of income method, which involves taking the rental income generated by the asset and dividing it by a yield rate for similar assets, taking into account the actual rent level versus market levels;
- second, the discounted cash flow (DCF) method, which takes account of expected annual changes in rental incomes, vacancies, and other factors such as expected letting periods and the investment expenses covered by the lessor.

The discount rate used takes into account the market risk rate (TEC 10-year OAT), plus:

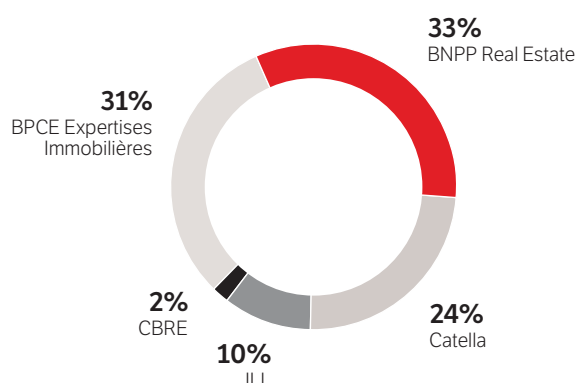
- a risk premium and a real estate market liquidity premium; as well as
- potential risk premiums for obsolescence and rental risk.

Small assets have been valued by comparison with market transactions on similar assets.

As of December 31, 2024, the appraisals were carried out by five independent appraisers: BNPP Real Estate Valuation, BPCE Expertises Immobilières, Catella Valuation, Jones Lang LaSalle Value & Risk Advisory, and CBRE Valuation. As of June 30, 2024, the appraisals were carried out by the following five appraisers: BNPP Real Estate Valuation, BPCE Expertises Immobilières, Catella Valuation, Cushman & Wakefield Valuation and CBRE Valuation.

► BREAKDOWN OF VALUATIONS PER APPRAISER

(as % of the number of assets valued)



Mercialys' **portfolio value** came to Euro 2,761.2 million including transfer taxes, down -4.1% over six months and -3.9% over 12 months. Like-for-like ⁽¹⁾, it is up +0.9% over six months and +1.3% over 12 months. Excluding transfer taxes, the portfolio value was Euro 2,583.7 million, down -4.3% over six months and -4.0% over 12 months. Like-for-like ⁽¹⁾, it is up +0.7% over six months and +1.1% over 12 months.

The average appraisal yield rate was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at December 31, 2023.

Note that the valuation of Mercialys' portfolio is determined based on a "sum of the parts" approach. In other words, the total valuation is equal to the sum of the individual valuations of each asset, whether this is determined using the capitalization of income method or the DCF approach. The valuation of each asset presents its own underlying assumptions in terms of rental growth, investment, capitalization and discount rates.

This makes it difficult to reconstruct underlying average valuation assumptions at consolidated level. Matters are further complicated by the fact that appraisers do not always use strictly identical valuation methodologies, and the weighting criteria used when compiling the underlying assumptions for individual valuations may cause the results to vary significantly.

In the interests of transparency and accuracy, Mercialys approached its two main real estate experts, BNP Paribas Real Estate and BPCE Expertises Immobilières, for guidance on this point. These companies, which respectively appraise 33% and 31% of Mercialys' assets by number, stated that they applied a compound annual growth rate (CAGR) of net rental income including indexation of +2.7% for BNPP and +3.1% for BPCE between 2025 and 2034.

(1) Sites on a constant scope and a constant surface area basis.

1.3.1.2 Real estate appraisal report prepared by Mercialys' independent valuers

Introduction

At December 31, 2024, Mercialys entrusted:

- BNPP Real Estate Valuation;
- Catella Valuation;
- CB Richard Ellis Valuation;
- Jones Lang LaSalle Value & Risk Advisory;
- BPCE Expertises Immobilières,

with the valuation of its portfolio of real estate assets, with the following breakdown:

	Number of assets	Potential rent	Fair value excluding transfer taxes	Fair value including transfer taxes
BNPP Real Estate Valuation	17	€101.5m	€1,592.9m	€1,702.0m
Jones Lang LaSalle Value & Risk Advisory	5	€8.2m	€78.0m	€83.3m
Catella Valuation	12	€16.2m	€167.3m	€178.9m
CB Richard Elis Valuation	1	€9.2m	€117.3m	€125.4m
BPCE Expertises Immobilières	16	€55.5m	€705.2m	€754.0m
of which undivided share		€7.0m	€77.0m	€82.3m
BPCE Expertises Immobilières	16	€48.6m	€628.2m	€671.6m
TOTAL	51	€183.6M	€2,583.7M	€2,761.2M

At the conclusion of their respective engagements, the firms co-signed the following joint report:

General background to the appraisal

Background and instructions

In accordance with the instructions given by Mercialys (the "Company"), set out in the valuation contracts signed between Mercialys and the Appraisers, we have estimated the value of the assets owned by the Company reflecting the manner in which they are owned (full ownership, construction lease, etc.). This condensed report, which summarizes the conditions for our work, has been written in order to be included in the Company's Registration Document. The appraisals were conducted locally by our expert teams and were reviewed by the pan-European teams of Appraisers. To determine the market value for each asset, we considered real estate transactions at European level, as well as domestic transactions. We confirm that our opinion of market value has been revised in light of other appraisals carried out in Europe, so as to ensure a consistent approach and to take into account all transactions and information available on the market. The valuations are based on the discounted cash flow method or the yield method, which are regularly used for assets of this kind.

Our values were set at December 31, 2024.

Standards and general principles

We confirm that our valuations were conducted in accordance with the corresponding sections of the Code of Conduct from the 8th Edition of the RICS Valuation Standards (the "Red Book"). This is an internationally accepted basis of appraisal. Our valuations comply with IFRS accounting standards and the standards and recommendations published by the IVSC. The appraisals were also prepared in light of the AMF's recommendations concerning the presentation of valuations of listed companies' real estate portfolios, published on February 8, 2010. They also take into account the recommendations made in the Barthès de Ruyter report on the valuation of the real estate portfolios of listed companies, published in February 2000. We certify that we prepared our appraisal as independent external appraisers, as defined in the standards from the Red Book published by RICS.

Target value

Our valuations correspond to market values and were presented to the Company in terms of value excluding rights (after deducting transfer duties and costs) and including rights (market value before any deduction of transfer duties and costs).

Conditions

Information

We asked the Company's management to confirm that the information provided to us relating to the assets and tenants is complete and accurate in all material respects. Consequently, we considered that all of the information known to the Company's employees and which could affect the value, such as operating expenses, work undertaken, financial items including doubtful receivables, variable rents, current and signed lettings, rent-free periods, as well as the list of leases and vacant units was made available to us and is up to date in all material respects.

Surface area of assets

We did not measure the properties and based our assessments on the surface areas provided to us.

Environmental analyses and soil conditions

We were not asked to perform a study of soil conditions or an environmental analysis and we did not investigate past events to determine whether the soil or structures of the assets are, or have been, contaminated. Unless indicated otherwise, we assumed that assets are not, and should not be, affected by soil contamination and that the condition of the land does not affect their current or future use.

Urban planning

We did not study the building permits and assume that the properties have been built and are occupied and used in compliance with all necessary authorizations and are free of any legal recourse. We assumed that the assets comply with legal requirements and urban planning regulations, particularly as regards structural, fire, health and safety regulations. We also assumed that any extensions currently under construction comply with urban planning regulations and that all the necessary authorizations have been obtained.

Land titles and rental status

We have based our assessments on the rental position, summaries of additional revenues, non-recoverable charges, capital projects and the business plans provided to us. In addition to what is already mentioned in our reports for each asset, we assumed that ownership of the assets is not subject to any restrictions that would prevent or hinder their sale, and that they are free of any restrictions and encumbrances. We did not read the land titles for the assets and we accepted the rental and occupancy statements or any other relevant information communicated to us by the Company.

Condition of the assets

We noted the general condition of each asset during our visits. Our assignment does not include technical aspects concerning the structure of buildings. However, we indicated in our report any signs of poor maintenance observed during our visit, if applicable. The assets were appraised on the basis of information provided by the Company, according to which no hazardous materials have been used in their construction.

Taxation

Our valuations do not take account of any costs or taxes that may be incurred in the event of an asset being sold. The rental and market values provided do not include value added tax.

Confidentiality and publication

Lastly, in keeping with our usual practices, we confirm that our appraisal reports are confidential and intended solely for the Company. No liability is accepted in relation to third parties, and neither the appraisal reports as a whole nor extracts from these reports may be published in a document, declaration, circular or communication with third parties without our written agreement, covering both the form and content in which they may appear. In signing this condensed report, each expert does so on their own behalf and exclusively for their own expert appraisal work.

01

BNPP REAL ESTATE VALUATION

Signé le 15 janvier 2025, à BOULOGNE-BILLANCOURT :


Jean-Claude DUBOIS
Président



CATELLA VALUATION



BPCE EXPERTISES IMMOBILIERES


Philippe TARAVELLA
Directeur Général



JONES LANG LASALLE VALUE & RISK ADVISORY



Gwenola DONET, MRICS Registered Valuer
Présidente
CBRE VALUATION


Signature électronique certifiée: Béatrice
ROUSSEAU - MRICS - REV
Directeur
CBRE Valuation
+33 06 08 18 40 02

1.3.2 Portfolio of diversified retail assets located in dynamic geographic areas

1.3.2.1 46 assets at end-2024, representing 703,293 sq.m of gross leasable area

Mercialys' sites are grouped into four main categories:

- large regional centers, with a gross leasable area of over 40,000 sq.m;
- large shopping centers, with a gross leasable area of over 20,000 sq.m;
- leading neighborhood shopping centers, with a gross leasable area of over 5,000 sq.m; and
- other sites.

The major regional and large shopping centers and the leading neighborhood shopping centers are made up of shopping centers and adjacent large specialty stores. The other sites comprise individual units, including two cafeterias and a land reserve.

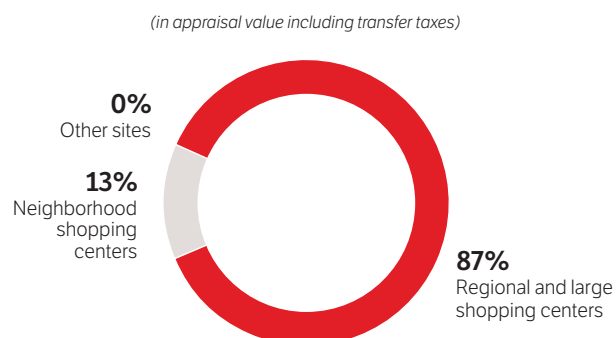
At December 31, 2024, Mercialys' portfolio was made up of 46 assets, including:

- four large regional centers;
- 21 large shopping centers;
- 19 neighborhood shopping centers; and
- two other sites,

representing a total gross leasable area of 703,293 sq.m.

Within its 46 shopping centers, Mercialys owned - exclusively or in partnership with minority interests - the premises of the large food stores in 21 of them at end-December 2024.

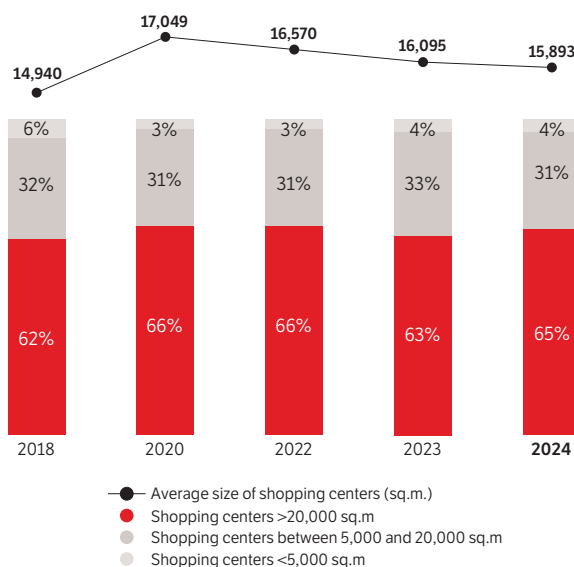
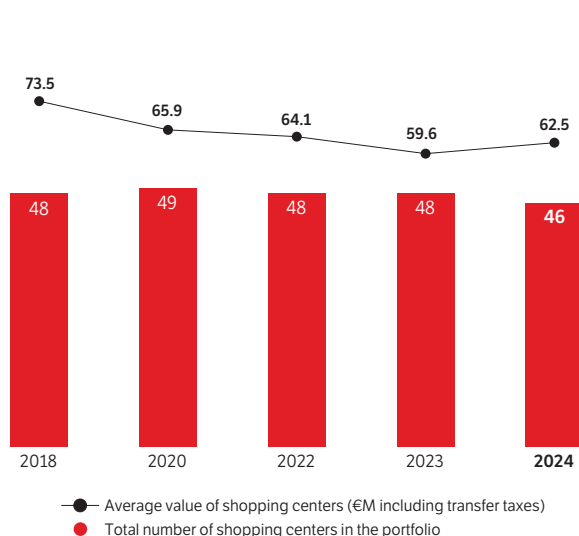
► BREAKDOWN BY TYPE OF ASSETS HELD BY MERCIALYS



1.3.2.2 Portfolio realigned around leading retail assets in the most dynamic geographic areas

The result of a decade of buying and selling assets, Mercialys' portfolio is now broadly realigned around leading or co-leading retail sites in their catchment areas.

The average size of the Company's shopping centers (excluding other sites) was 15,900 sq.m at end-2024, compared with 7,400 sq.m at end-2010 and 12,227 sq.m at end-2014. Their average value was Euro 62.5 million including transfer taxes at end-2024, compared with Euro 26.9 million at end-2010 and Euro 48.7 million at end-2014.



99% of the assets making up Mercialys' portfolio are located in French regions or overseas territories, with the remaining 1% in Paris and the greater Paris area. The Île-de-France region therefore represents a very small percentage of the Company's real estate portfolio.

Historically located in eastern-central France (Saint-Étienne), the

Casino group, from which Mercialys originated, gradually expanded its operations into neighboring regions (Loire, Haute-Loire, Rhône, etc.) and then, following merger and network takeover operations, into geographic areas with strong development potential, such as the coastal regions of the South-East, West and Brittany.

Mercialys is also present on Reunion Island.

The following table summarizes the main information concerning the regional geographic exposure of Mercialys' real estate portfolio.

Region	Number of sites	Appraisal value including transfer taxes		Gross leasable area	
		(€M)	%	(sq.m)	%
Corsica	5	123.5	4%	47,863	7%
Île-de-France	3	30.2	1%	8,622	1%
North-East	2	216.9	8%	52,875	8%
West	9	768.9	28%	203,053	29%
Rhône-Alpes	7	487.8	18%	139,102	20%
Reunion Island	5	346.2	13%	38,144	5%
South-East	6	318.3	12%	67,973	10%
South-West	9	469.4	17%	145,661	21%
TOTAL	46	2,761.2	100%	703,293	100%

1.3.2.3 Detailed breakdown of the portfolio at December 31, 2024

Site name and description	Type of asset held by Mercialys	Year of construction	Last project (year)	Built surface of the complex at 12/31/2024 (sq.m)	Gross leasable area held by Mercialys at 12/31/2024 (sq.m)	Of which food store area at 12/31/2024 (sq.m) when owned by Mercialys	Property management
Corsica							
Ajaccio Rocade Mezzavia (Auchan HM + 45 stores + 3 MSu)	Large shopping centers	1989	2018	28,773	17,264	10,015	CORIN
Bastia Port Toga (Auchan HM + 13 stores)	Neighborhood shopping centers	1991	2017	7,034	4,220	3,202	CORIN
Bastia Rocade de Furiani (Auchan HM + 48 stores + 2 MSu + 1 healthcare center + 1 service station)	Large shopping centers	1969	2019	24,498	14,699	8,314	CORIN
Corte (Auchan SM + 13 stores)	Neighborhood shopping centers	2004	2004	5,831	3,499	2,466	CORIN
Porto Vecchio (Auchan HM + 30 stores + 2 MSu)	Neighborhood shopping centers	1972	2003	14,106	8,182	4,963	CORIN
Île-de-France							
Amilly Montargis (Casino Hyperfruits HM + 1 cafeteria + 15 stores + 2 MSu)	Neighborhood shopping centers	1976	2013	15,192	2,189	0	SUDECO
Massena (Intermarché HM + 21 stores + 2 MSu)	Large shopping centers	1975	2016	31,677	3,533	0	SUDECO
Saint-Denis Porte de Paris (Aldi + 1 MSu)	Neighborhood shopping centers	1975		2,900	2,900	0	SUDECO

Site name and description	Type of asset held by Mercialys	Year of construction	Last project (year)	Built surface of the complex at 12/31/2024 (sq.m)	Gross leasable area held by Mercialys at 12/31/2024 (sq.m)	Of which food store area at 12/31/2024 (sq.m) when owned by Mercialys	Property management
Reunion Island							
Le Port Sacré-Cœur (Carrefour HM + 90 stores + 7 MSu + 1 retail park)	Regional centers	2002	2020	27,024	21,401	0	SUDECO
Saint-Benoît Beaulieu (Carrefour HM + 22 stores)	Neighborhood shopping centers	2000	2022	7,492	2,014	0	SUDECO
Saint Pierre Front de Mer (Carrefour HM + 26 stores)	Neighborhood shopping centers	1987	1992	11,629	2,118	0	SUDECO
Sainte Marie du Parc (Run Market HM + 70 stores + 1 RP + 5 MSu + 1 services village + 1 service station)	Large shopping centers	1966	2016	27,384	12,611	0	SUDECO
Saint-André (land bank)	Other	-	-		0	0	
North-East							
Besançon – Chateaufarine (Intermarché HM + 88 stores + 11 MSu)	Regional centers	1971	2018	58,218	38,497	0	SUDECO
Dijon Chenôve (Casino Hyperfrais HM + 41 stores + 6 MSu + 1 car wash station)	Neighborhood shopping centers	1974	1999	36,092	14,378	0	SUDECO
West							
Angers– Espace Anjou (Auchan HM + 105 stores + 7 MSu + coworking)	Regional centers	1994	2019	40,564	39,705	15,529	SUDECO
Brest (Casino Hyperfrais HM + 70 stores + 5 MSu)	Large shopping centers	1968	2018	36,545	35,755	15,676	SUDECO
Chartres – Lucé (Intermarché HM + 42 stores + 4 MSu + 1 service station and car wash station)	Large shopping centers	1977	2016	27,362	9,714	0	SUDECO
Lanester (Carrefour HM + 4 MSu + 71 stores)	Large shopping centers	1970	2016	31,267	30,357	17,639	SUDECO
Morlaix (Carrefour HM + 40 stores + 2 MSu)	Neighborhood shopping centers	1980	2017	28,871	8,054	0	SUDECO
Niort Est (Casino Hyperfrais HM + 1 cafeteria + 50 stores + 3 MSu + 1 services village + 1 car wash station)	Large shopping centers	1972	2015	26,047	18,322	13,306	SUDECO
Quimper – Cornouaille (Intermarché HM + 1 cafeteria + 88 stores + 9 MSu)	Large shopping centers	1969	2017	34,459	34,459	12,063	SUDECO
Rennes Saint-Grégoire (Super U HM + 88 stores + 2 MSu)	Large shopping centers	1971	2017	52,858	16,999	0	GIE GRAND QUARTIER
Tours – La Riche Soleil (Intermarché HM + 1 cafeteria + 49 stores + 1 MSu)	Large shopping centers	2002		25,571	9,689	0	SUDECO

Site name and description	Type of asset held by Mercialis	Year of construction	Last project (year)	Built surface of the complex at 12/31/2024 (sq.m)	Gross leasable area held by Mercialis at 12/31/2024 (sq.m)	Of which food store area at 12/31/2024 (sq.m) when owned by Mercialis	Property management
Rhône-Alpes							
Annecy Seynod (Auchan HM + 50 stores + 6 MSu + 1 cinema + 1 RP + 1 service station)	Large shopping centers	1988	2023	33,167	12,717	0	SUDECO
Annemasse (Intermarché HM + 37 stores + 3 MSu)	Large shopping centers	1977	2016	25,564	23,384	15,700	SUDECO
Clermont – Nacarat (Intermarché HM + 74 stores + 2 MSu + 1 services village + 1 service station + 1 car wash station)	Large shopping centers	1979	2014	34,779	34,779	17,847	SUDECO
Grenoble La Caserne de Bonne (Monoprix + 44 stores + 4 MSu + coworking)	Large shopping centers	2010	2020	20,263	20,263	0	SUDECO
Saint-Étienne – Monthieu (Auchan HM + 51 stores + 1 cafeteria + 5 MSu + 1 service station + 1 car wash station)	Large shopping centers	1972	2017	36,928	20,180	0	SUDECO
Vals près Le Puy (Carrefour HM + 23 stores + 4 MSu)	Neighborhood shopping centers	1979	2015	21,367	20,545	11,707	SUDECO
Valence 2 (Casino HM + 1 cafeteria + 55 stores + 1 MSu)	Neighborhood shopping centers	1972	2012	19,155	7,234	0	SUDECO
South-East							
Aix-en-Provence (Auchan HM + 1 service station + 47 stores + 3 MSu + 1 Feu vert)	Large shopping centers	1982	2016	26,236	1,571	0	SUDECO
Fréjus (Auchan HM + 43 stores + 3 MSu)	Neighborhood shopping centers	1972	2017	19,911	6,237	0	SUDECO
Istres (Auchan HM + 44 stores + 6 MSu)	Neighborhood shopping centers	1989	2015	25,584	6,305	0	SUDECO
Mandelieu (Auchan HM + 45 stores + 2 MSu + 1 services village)	Large shopping centers	1977	2016	31,954	8,553	0	SUDECO
Marseille – La Valentine (Auchan HM + 62 stores + 4 MSu)	Large shopping centers	1970	2015	32,271	13,924	0	SUDECO
Marseille Barneoud (Intermarché HM + 1 cinema + 59 stores + 6 MSu)	Large shopping centers	1974	1995	43,806	31,382	23,550	SUDECO
South-West							
Anglet (Casino Hyperfrais HM + 1 cafeteria + 10 stores + 1 MSu)	Other	1976	2016	16,524	3,987	0	SUDECO
Aurillac (Casino Hyperfrais HM + 1 cafeteria + 24 stores)	Neighborhood shopping centers	1988	2015	16,890	3,236	0	SUDECO

Site name and description	Type of asset held by Mercialys	Year of construction	Last project (year)	Built surface of the complex at 12/31/2024 (sq.m)	Gross leasable area held by Mercialys at 12/31/2024 (sq.m)	Of which food store area at 12/31/2024 (sq.m) when owned by Mercialys	Property management
Boe Agen (Intermarché HM + 1 cafeteria + 27 stores + 1 MSu)	Neighborhood shopping centers	1969	2015	18,855	5,499	0	SUDECO
Brive – Malemort (Casino Hyperfrais HM + 35 stores)	Neighborhood shopping centers	1972	2017	21,047	5,460	0	SUDECO
Carcassonne Salvaza (Auchan SM + 1 cafeteria + 41 stores + 1 MSu)	Neighborhood shopping centers	1982	2016	19,917	2,502	0	SUDECO
Montpellier Argelliers Autoroute (Intermarché HM + 23 stores + 1 MSu)	Neighborhood shopping centers	1973	2017	18,725	2,325	0	SUDECO
Narbonne (Auchan HM + 27 stores + 2 MSu)	Neighborhood shopping centers	1972	2018	20,680	17,865	10,494	SUDECO
Nîmes – Cap Costières (Auchan HM + 1 cafeteria + 90 stores + 4 MSu + coworking + 1 service station)	Large shopping centers	2003	2017	35,209	20,897	0	SUDECO
Toulouse Fenouillet (Auchan HM + 1 cafeteria + 131 stores + 14 MSu + 1 RP + coworking + 1 service/car wash station + 1 cinema)	Regional centers	1978	2017	105,769	83,889	0	SUDECO
TOTAL				1,245,995	703,293	182,470	

Legend: SC: Shopping center, RSC: Regional shopping center, LSC: Large shopping center, NSC: Neighborhood shopping center, RP: Retail park, LFS: Large food store, LSS: Large specialty store, MSu: Medium-sized unit, ServC: Service center, HM: Hypermarket, SM: Supermarket, MM: Mini-market, CAF: Cafeteria, Other: including standalone sites.



-41.4%

reduction in greenhouse
gas emissions
vs. 2017



100%

of strategic centers
BREEAM In-Use certified
(version 6 of the
guidelines)



94/100

on the gender
equality index

02.

CORPORATE SOCIAL RESPONSIBILITY

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Mercialys firmly believes that the consideration of environmental, societal and social issues is a major differentiating factor and creator of long-term value. It has made this an integral part of its corporate strategy. This is reflected in the day-to-day

implementation of responsible and ethical management of all its owned and managed assets. This chapter sets out in detail its strategic Corporate Social Responsibility (CSR) projects, its policies and action plans implemented, as well as its results.

2.1 Sustainability risks and opportunities covered by Mercialys' CSR strategy

2.1.1 CSR governance designed to effectively manage risks and opportunities and ensure the successful implementation of the strategy

The management of CSR risks is an integral part of Mercialys' risk management process. As at the end of December 2024, the Risks Prevention Committee (RPC) is composed of Senior Management, the Director of Human Resources, the Head of Internal Control, the CSR Director and the Ethics and Compliance Director. This RPC is responsible for:

1. identifying the risks facing Mercialys;
2. identifying and assessing the procedures in place;
3. implementing a plan to supplement and optimize risk management;
4. organizing the oversight and proper application of procedures.

The 49 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. All risks are then assessed annually according to their impact and probability of occurrence. Probability of occurrence assesses the possibility that a risk will materialize at least once, in the short, medium and/or long term. The impact quantifies consequences that may be:

- either financial (change in funds from operations (FFO) or net asset value);
- or an obstacle to the continued deployment of the Company's strategy and operations;
- or reputational (importance given by stakeholders or media impact).

CSR risks were assessed using this scale, based on the results of the stakeholder consultation conducted in 2020, prior to the definition of the CSR strategy.

Each year, the RPC reports on its work to the Company's Audit, Risks and Sustainable Development Committee (ARSDC).

The Board of Directors as a whole approves the key stages of the CSR strategy, as well as the associated objectives. It examines any changes, such as those that could impact the carbon roadmap. Directors have access to the expertise of Mercialys' teams and sustainability rating agencies. They can also benefit from training and/or awareness-raising sessions on CSR issues. Following two training sessions on climate change delivered in 2023, the Mercialys directors were trained in cybersecurity in 2024. In addition, in 2024, the members of the ARSDC benefited from talks by Axa Climate about the carbon roadmap, as well as from Deloitte on the implementation of the CSRD (Corporate Sustainability Reporting Directive), the main analyses of which were sent to the Board of Directors. For more details on the training provided to the directors, please refer to Chapter 4, § 4.1.4, p. 240 *et seq.*

To prevent, mitigate and reduce CSR risks while managing the objectives of its CSR strategy 4 Fair Impacts for 2030 presented in the table in § 2.1.2, the Company has set up a dedicated governance. It is cross-functional, in conjunction with the operational departments at Company level and broken down by asset.

Supervising cross-functional projects

The integration of CSR at Mercialys is based on solid governance involving Senior Management, the governance bodies and the operational teams.

The CSR team, whose role is to implement the Company's CSR strategy, reports to the Deputy Chief Executive Officer, proving that the integration of CSR issues is at the heart of the corporate strategy. Human Resources development issues such as the implementation of Mercialys' diversity and inclusion policy are the responsibility of the Human Resources Department.

The Deputy Chief Executive Officer, in charge of CSR, and the Director of Human Resources, responsible for social issues, are both members of the Company's Executive Committee, which is responsible for defining and monitoring the Company's strategy.

The CSR strategy, risks and opportunities are regularly assessed, validated and reviewed by the Company's various governance bodies.

The Board of Directors is kept informed of the implementation of the CSR strategy and the achievement of the associated criteria at least annually and oversees the management of CSR issues by the Company through its three specialized committees:

- the Audit, Risks and Sustainable Development Committee (ARSDC), which assesses CSR risks and opportunities, examines and validates the CSR strategy, checks on its progress once or twice a year, supervises the process for preparing sustainability information and reviews the Company's Statement of Non-Financial Performance (SNFP);
- the Sustainable Investment Committee (SIC), which takes into account CSR aspects when reviewing strategic projects (disposals, acquisitions, growth strategy, etc.);
- the Appointments, Compensation and Governance Committee (ACGC), which oversees the Company's workplace diversity, equality and equal pay policy, sets the ESG (environmental, social and governance) performance criteria related to senior management compensation, and considers CSR aspects in its recommendations for the appointment / reappointment of directors.

Stéphanie Bensimon is the director responsible for monitoring the CSR approach. In 2024, she reported on her duties to the Board of Directors, presenting her conclusions and potential ways to optimize the Company's overall approach to CSR.

For more details on the roles of the various bodies and their interactions in terms of CSR, see Chapter 4. § 4.1.6 p. 250 *et seq.* and the diagram below.

The integration of CSR at Mercialis is also based on the definition of quantified annual objectives, engaging both executives and employees, in order to measure the progress made in concrete terms.

Thus, the Company's Chief Executive Officer and the Deputy Chief Executive Officer have 30% of their annual variable compensation indexed to the Company's CSR performance. In addition, sustainability criteria also represent 30% of their long-term compensation. For 2024, the criteria used are as follows: progress made in the implementation of 4 Fair Impacts for 2030, professional gender equity, greening of financing and compliance with the Company's carbon roadmap. For more information, please see Chapter 4. § 4.2.2, p. 259 *et seq.*

As all Mercialis employees are involved in the successful implementation of this strategy, they all also have an individual CSR objective in their annual variable compensation. This represents at least 10% of this compensation and is specific to their roles, quantitative for senior staff and qualitative for other categories of employees.

Mercialis also engages its financial stakeholders in its CSR approach.

At the end of 2024, 100% of the Company's bank credit lines included CSR performance objectives, for a cumulative amount of Euro 385 million. The margins of these credit lines are indexed to the average score in part 2 of the BREEAM In-Use environmental certification and to the achievement of the greenhouse gas

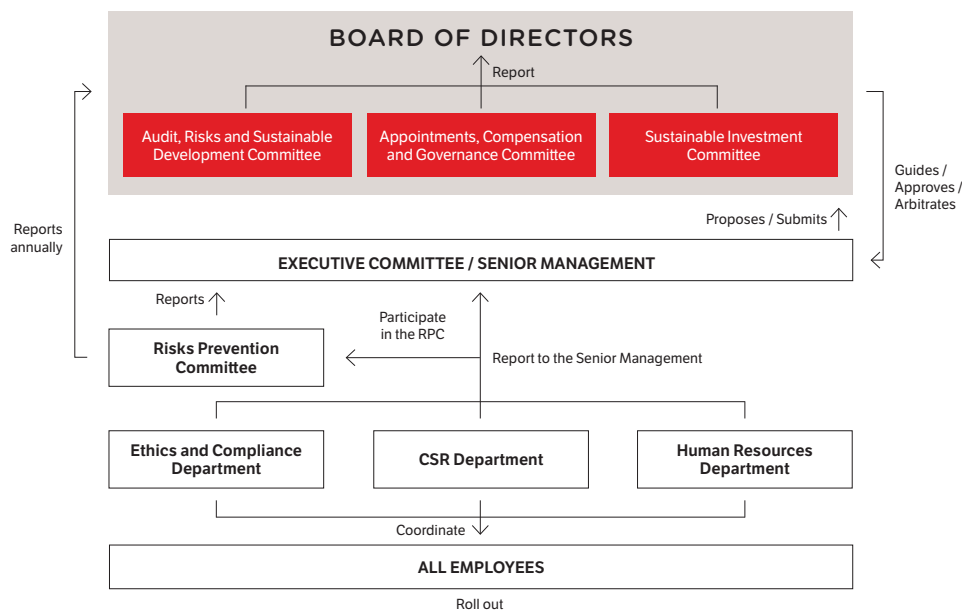
emission reduction objectives, on scopes 1, 2 and 3, proving Mercialis' commitment to combating climate change. The Company benefits from a reduction in the margin in the event of compliance with these commitments. Otherwise, an increase in this margin is applied. Since 2021, the first year of implementation of this mechanism, Mercialis has continued to benefit from this margin reduction thanks to the achievement of its objectives.

Acting at the asset level

In order to steer the CSR strategy at asset level, the Company's 4 Fair Impacts for 2030 objectives have been broken down by asset, to be relevant to the operational reality. In order to plan the actions to be implemented to achieve these objectives, to phase them in over time, to forecast the budgets to be allocated and to monitor them, CSR roadmaps have been drawn up for each center. They were developed jointly by the Asset Management Department, the Center Management Department, the property manager, and the CSR team. They are adapted to the specificities of each site. In addition, during the annual reviews of the business plan by asset, the center directors and asset managers present the progress of the 4 Fair Impacts for 2030 CSR strategy to Senior Management.

To ensure their implementation and to detect any malfunctions as early as possible, a dedicated IT tool facilitates the monitoring, analysis and steering of key CSR performance indicators. It is accessible to all relevant departments as well as to external property managers. At operational level, the Mercialis employees responsible for shopping center management have access to key performance indicators for energy and water consumption and waste recovery at the centers. These KPIs make it possible to compare assets using different analysis criteria: in absolute value, in relative value compared to activity data, and between centers in the same geographical area, compared to the previous period. Some of the operating problems of the centers are thus identified, enabling them to be corrected quickly, while sharing the best practices already implemented.

CSR GOVERNANCE

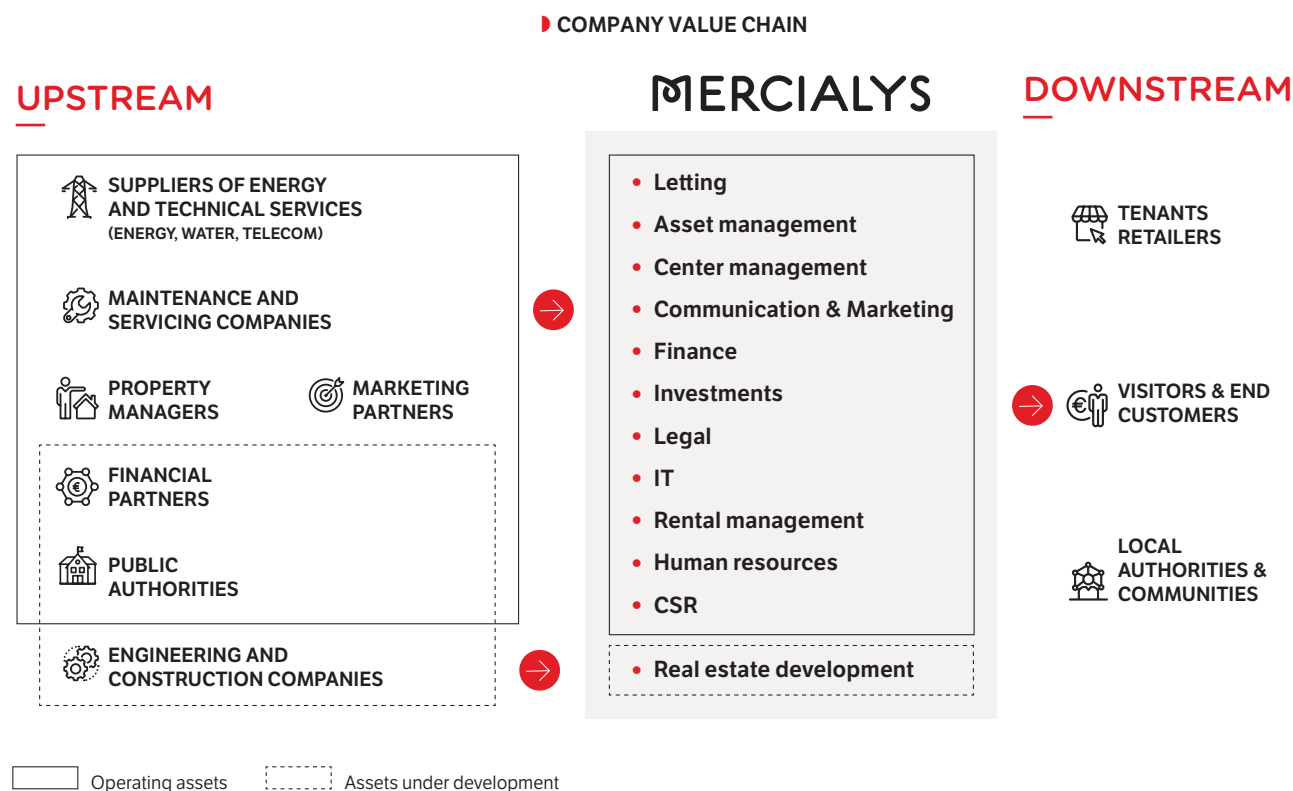


02. CORPORATE SOCIAL RESPONSIBILITY

Sustainability risks and opportunities covered by Mercialys' CSR strategy

Mercialys relies on an integrated value chain, linking its upstream partners to its downstream stakeholders. All of the Company's internal departments contribute to the creation of sustainable value.

Real estate development is also a strategic lever to respond to the Company's growth challenges and investor expectations, as illustrated in the diagram below.



2.1.2 CSR commitments are jointly developed with its stakeholders

Mercialys' CSR performance is praised each year by the sustainability rating agencies. In 2024, for its 9th participation in the Global Real Estate Sustainability Benchmark (GRESB), Mercialys obtained a score of 91/100 and a "5-star Green Star" status, the benchmark's highest category. The Company has also improved its MSCI rating and is now rated AA. For more information about the various rankings, please refer to the Integrated Report on p. 37.

4 Fair Impacts for 2030, Mercialys' CSR strategy, embodies the Company's ambition in this area. It was determined in perfect compliance with regulations, in order to respond to Mercialys' main CSR risks and opportunities and to the expectations of its stakeholders.

Firstly, the Company has drawn up a comparative study of the CSR strategies of the real estate company and players recognized for their CSR maturity, operating in France and abroad. Furthermore, a widespread consultation process was conducted by a specialized consulting firm with the Company's various stakeholders. It involved employees, shopping center visitors, retailers, investors and banks, local authorities and non-profit organizations. A list of CSR issues previously identified as relevant for a retail real estate company were submitted to them. They commented on the importance they attach to them, as well as their perception of Mercialys' level of maturity on these various issues. Qualitative interviews supplemented the results of this questionnaire, in order to identify more specific recommendations or expectations of certain stakeholders. This approach led to the revision of Mercialys' materiality matrix, which can be found on the Company's website⁽¹⁾.

(1) Materiality matrix published on the Company's website: <https://www.mercialys.com/sustainability/sustainability-strategy-1/stakeholder-engagement>

Based on this matrix, cross-referenced with the CSR risks and opportunities previously identified by the Risks Prevention Committee (RPC), the 2030 strategy was structured around four key commitments. Thematic workshops were then held between Senior Management, the CSR team and the Human Resources Department, in consultation with the other departments concerned. They defined the objectives associated with these commitments, applying a pragmatic approach and incorporating operational realities.

Mercialys' CSR strategy is built around four commitments, broken down into concrete objectives and accompanied by relevant roadmaps.

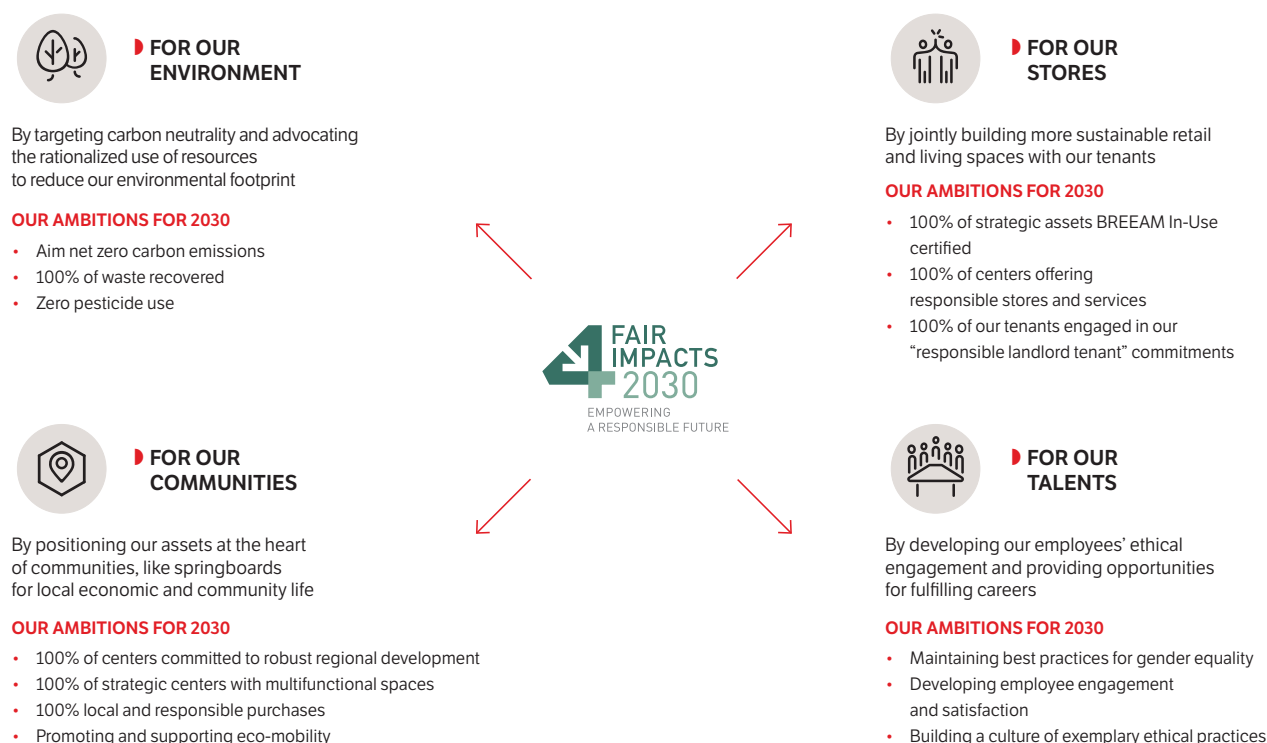
Mercialys is committed to:

- contributing to carbon neutrality;
- promoting more responsible trade;
- being a major partner for regional development;
- being an involved employer.

02

4 FAIR IMPACTS FOR 2030 CSR STRATEGY

ALL ENGAGED AROUND A CSR STRATEGY FOCUSED ON OUR 4 MAIN IMPACTS



This strategy was presented and approved by the Audit, Risks and Sustainable Development Committee (ARSDC) and the Board of Directors in December 2020. These bodies regularly monitor the implementation of the strategy and the achievement rate of the associated criteria. In addition, Mercialys has submitted its climate strategy to a shareholder vote, in order to involve the latter in the Company's CSR approach. The climate ambitions and associated action plans were presented in a resolution to the 2022 General Meeting, in accordance with the recommendations of the "Say on Climate" initiative. At the meeting, the Company undertook to present to its shareholders the progress of the implementation of its transition plan at the General Meeting to be held in 2026.

The table below establishes the correspondence between the CSR risks and opportunities identified by the RPC and Mercialys' CSR strategy priority issues, then summarizes the main measures implemented to prevent and mitigate these risks and seize CSR opportunities.

02. CORPORATE SOCIAL RESPONSIBILITY

Sustainability risks and opportunities covered by Mercialys' CSR strategy

MAIN SUSTAINABILITY RISKS AND OPPORTUNITIES

CSR STRATEGY PRIORITY ISSUES	DESCRIPTION OF THE RISK	DESCRIPTION OF THE OPPORTUNITY
Aim for net zero carbon emissions	- Transition risks related to the transition to a low-carbon society: - increase in investments to respond to changes in regulations (tertiary eco-energy system, etc.) - decrease in revenues due to changes in customer behavior - difficulties in accessing capital due to the growing concerns of investors about climate change - Physical risks related to more frequent and severe weather events: - damage to buildings, financial impacts (increase in insurance premiums, financial impact of claims associated with more frequent and more intense exceptional natural events, or the cost of adaptation measures, etc.), and disruption of the business activity of the Company and its tenants - Increase in the operating costs of the centers or supply difficulties in the event of scarcity of energy resources	- Owning and managing environmentally-certified, energy-efficient and resilient buildings attracts tenants and visitors, and increases asset value - Combating climate change attracts investors and lowers the Company's interest rates, notably with the entry into force of the European Green Taxonomy Regulation ⁽¹⁾ and the SFDR ⁽²⁾ - Developing new innovative low-carbon service offerings to generate additional revenue - Controlling the expenses of its tenants to make the Company more attractive to retailers - Developing renewable energies can make Mercialys centers energy self-sufficient and protect its tenants from energy price volatility
100% waste recovered	- Increase in operating expenses for tenants - Increase in investment in response to changing regulations	- Collaborate with its tenants to improve the shopping centers' environmental footprint - Reduce tenant expenses and therefore be more attractive to retailers
Zero pesticide used	Damage to the Company's reputation due to the use of controversial products or techniques for the management of green spaces, impacting biodiversity and human health	Greening shopping centers to increase their attractiveness and the well-being of occupants and visitors
Focus on densification and reconversion over soil artificialization	- Restriction or modification of projects on account of their impact on biodiversity in a context of stricter regulations - Technical difficulties in converting or densifying commercial assets - Saturation of car parks in case of densification	Benefit from a bonus for new entrants with proven know-how in the conversion, restructuring or rehabilitation of existing sites
100% of strategic assets certified	- Deterioration in the value of the portfolio and loss of attractiveness for investors in the event of non-certified assets - Difficulties in maintaining good levels of certification in a context of stricter guidelines - Contribution to mitigating several risks (carbon, waste, pesticides, retailer relations, safety, responsible purchasing, mobility)	- Attract tenants and visitors, and increase the value of the Company's assets - Access to sustainable financing - Enhance the sound management of the Company's assets on a daily basis
100% of centers offering responsible stores and services	Loss of use and obsolescence of assets in the event of a merchandising mix that does not adapt to new consumer expectations	Ensure the sustainability of the Company's business model by meeting the growing demands of consumers for more responsible and local products and services
100% of our tenants committed to our "responsible landlord tenant" pact	- Deterioration of the customer relationship in case of lack of communication - Deterioration of asset liquidity in the event of non-compliance with regulations on the overall energy performance of assets	- Amplify the positive impact of the Company by collaborating with its tenants - Develop new forms of dialog and partnerships with stakeholders - Collaborate with its tenants to retain them and improve the environmental footprint of the centers
Zero health and safety incidents	- Financial impacts (additional investments in video surveillance or special systems, for example, increase in insurance premiums, repair costs), in the event of health risks (air pollution, water pollution), safety risks (e.g. crime, attack), security (fire, flood) - Drop in revenues due to operating losses of affected tenants - Damage to the reputation of the shopping centers in question	Ensure customer comfort and satisfaction as a differentiating factor in an increasingly competitive environment, to improve footfall and build visitor loyalty
100% of centers committed to robust regional development	Loss of business and revenues for its tenants and, as a result, a risk on the Company's rental income, in the event of a downturn in the local economic fabric and shopping center catchment area	- Establish the reputation of its shopping centers in their catchment area and create social ties thanks to the links forged with the local economic fabric, while strengthening their local roots - Strengthen Mercialys' regional roots by promoting local entrepreneurship
100% of strategic centers with multifunctional spaces	Loss of attractiveness in the event of a merchandising mix no longer responding to new consumer practices (coworking, leisure, etc.)	Enhance the attractiveness of the centers and stand out by offering visitors to its centers new experiences
100% local and responsible purchasing	Damage to the Company's reputation in the event of an ethical incident or a negative performance in terms of CSR related to one of its suppliers or subcontractors	- Obtain a better quality of service and responsiveness from service providers working in the shopping centers due to their geographical proximity - Creating local jobs
Promoting and supporting eco-mobility	- Difficulties in meeting the expectations of customers using new modes of transport to reach the shopping centers, leading to a loss of footfall - Increase in investments to respond to regulatory changes	- Improve the accessibility of its shopping centers and attract non-motorized customers - Reduce the indirect carbon footprint of its shopping centers - Indirectly participate in the fight against air pollution
100% of centers open to civil society	Lack of ownership of sites by local stakeholders and decreased loyalty	Establish the shopping centers' reputation within their catchment areas and foster community cohesion through the links forged with local non-profit organizations
Maintaining best practices for equality in the workplace	Impact on the Company's performance (lack of innovation, etc.) in the event of a lack of diversity within the Company (age, gender, academic background, etc.)	Develop a lasting dynamic of cohesion and collective emulation in a working environment conducive to the development of all employees
Development of employee engagement and satisfaction	- Difficulties in recruiting employees for strategic positions in case of low level of attractiveness on the jobs market - Decreased productivity, turnover and loss of skills in the event of Mercialys' inability to retain its talents	- Recruit the best talents through employer brand recognition - Develop employees' skills and support their development
Building a culture of exemplary ethical practices	Legal and financial impacts for the Company, as well as damage to its reputation, in the event of the involvement of an employee or executive in a case of corruption, insider trading or money laundering	Boost a positive knock-on effect for all employees, enabling overall performance improvement
Respecting the best work-life balance	Drop in productivity and increase in absenteeism and staff turnover due to poor quality of life at work	Offer a safe and high quality working environment, source of its employee buy-in and commitment

(1) Taxonomy regulation (EU) 2020/852 on "the establishment of a framework to facilitate sustainable investment."

(2) Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088 on "sustainability-related disclosures in the financial services sector."

2024 KEY PERFORMANCE INDICATORS	MAIN ACHIEVEMENTS	CONTRIBUTION TO SDGs (3)
13.7 kgCO ₂ eq./sq.m. scopes 1 & 2	- Carbon roadmap validated by the SBTi (4) - Purchase of green energy - Installation of remote reading, optimization and management of equipment - Energy sobriety plan - Studies on the resilience of its assets to physical and transition risks related to climate change	 
68.5% waste recovered	- Implementation of dedicated communication tools for retailers - Regular awareness-raising of retailers - Deployment of the five waste and bio-waste streams across its portfolio	
0 liter of pesticide products used	- Implement a "zero pesticides" approach for green spaces - Control of green space providers - Preparation of a greening guide by geographical area	 
0 sq.m. artificialized	Hypermarket decapitalization projects to increase the density of shopping centers	
100% of strategic assets certified	- Environmental certification of the portfolio - Gradual transition of the certified portfolio to the new version of the guidelines	
94% of strategic assets offering responsible retail and services	- Launch of pilots for responsible services (Geev Shop, Les Biens en Commun) - Installation of charging stations for electric vehicles	
0% of our tenants engaged with our "responsible landlord tenant" commitments	- Generalization of environmental annexes to all leases signed - Recovery of environmental data from tenants - Annual meetings with tenants including a CSR update - Conduct tenant satisfaction surveys	  
92/100 average score in safety audits	- Annual audit of the security provider - Implementation of preventive measures for health and safety risks - Installation of CO₂ sensors and sensors for other types of indoor air pollutants	
70% of centers committed to robust regional development	- Job fairs carried out in the centers - Retailer job offers posted on the shopping centers' websites and social media - National partnership with <i>Initiative France</i> - Mentoring offered by center managers to entrepreneurs	
61% of strategic centers with a multifunctional space	- Deployment of coworking under the Cap Cowork brand - Installation of health centers - Development of a leisure offering	
87% of center purchases and 12% of corporate purchases have a CSR clause	- Incorporate CSR criteria into center contracts and call for tenders - Put in place control arrangements	
100% of shopping centers close to public transport	- Installation of charging stations for electric vehicles, bicycle racks, and dedicated carpooling spaces - Raising awareness of visitors	
96% of centers having hosted at least one association	- Provision of spaces for associations and organizations in shopping centers - CSR events organized in shopping centers	
94/100 on the Gender Equality Index	Monitoring and management of the main diversity indicators	 
87% response rate in the 360° survey <i>Great Place To Work</i>	Continued implementation of the action plan following the last satisfaction survey	
100% of employees trained in ethics	- Code of Ethics given to all employees - Annual ethics training for employees - Whistleblowing procedure in place	
Maintenance of the home office agreement	- Application of the charter on the right to disconnect - Non-profit partnerships for youth and employment with Article 1	 

(3) SDGs: the Sustainable Development Goals adopted by the UN in 2015 define 17 priorities for development that is socially equitable, environmentally safe, economically prosperous, inclusive and predictable looking ahead to 2030.

(4) SBTi: Science Based Target initiative

2.2 For our environment

Because the construction sector generates 23% of French greenhouse gas emissions⁽¹⁾ and global warming represents physical and transition risks for Mercialys' portfolio, the real estate company is committed to contributing to carbon neutrality by:

- pursuing a very ambitious policy to reduce greenhouse gas emissions validated by the Science Based Targets initiative (SBTi);
- reducing the pressure that the Company exerts on natural resources.

2.2.1 Aim for net zero carbon emissions

The effects of climate change are materializing, including in France, with 2024 being particularly affected by extreme weather events including heat waves, cyclones, floods, etc. Taking action to mitigate climate change and adapting assets and the operation thereof are key challenges for Mercialys. Mercialys' Risks Prevention Committee (RPC) has identified and characterized the Company's risks and opportunities associated with the effects of climate change. It is also transparent about its climate risks, in accordance with the 11 recommendations of the international working group Task Force on Climate-related Financial Disclosure (TCFD) (see p. 117 *et seq.*) and by responding publicly each year to the Carbon Disclosure Project (CDP) since 2017.

Adapting to the effects of climate change

In order to ensure the resilience of its portfolio, particularly regarding the physical consequences of climate change, Mercialys has identified the current climate risks most likely to affect its assets. Within the framework of its RPC, the Company has mapped the natural risks facing its assets: flooding, forest fires, risk of marine submersion, landslides, clay swelling, mining, seismic activity, and avalanches. 58% of its assets are affected by a Natural Risk Prevention Plan (NRPP), mainly related to the risk of flooding.

Taking things one step further and adopting a forward-looking perspective, Mercialys has commissioned detailed studies to assess the physical risks associated with climate change for each asset and to determine the asset's vulnerability and resilience to these hazards. These studies comply with the criteria defined in Appendix A of Regulation (EU) 2020/852, known as the Taxonomy Regulation (see Appendix 1 p. 110). They help to identify the priority hazards for each asset and to determine the relevant climate change adaptation actions, to be included in multi-year work plans.

The Company has assessed 91% of its portfolio with regard to the following hazards: heat wave, drought, shrinkage and swelling of clays, forest fires, average rise in temperatures, flooding / rainfall, storms, marine submersion, coastal erosion, earthquakes and ground movement, cyclones, hurricanes and typhoons and cold waves. The studies analyzed the risks under the RCP 4.5 and RCP 8.5 scenarios of the Intergovernmental Panel on Climate Change (IPCC) and across two time horizons (30 and 50 years), so as to take into account the life span of a building. These scenarios correspond respectively to the implementation of measures to stabilize greenhouse gas emissions at around double pre-industrial levels, and to the Business As Usual scenario. For more information on the scenarios, see the table below.

Scenarios	Average temperature increase
RCP 4.5	Between + 1.7 °C and 3.2 °C
RCP 8.5	Between + 3.2 °C and 5.4 °C

The results show that Mercialys' assets are mainly affected by heat waves, the average temperature rise and drought. The priority issues to be taken into account therefore relate to the insulation of buildings, the size and operation of heating and air conditioning systems and the monitoring of the building's structure.

In addition, Mercialys has also assessed the transition risks related to climate change for 34% of its portfolio. These detailed studies enable the identification of the potential impacts of regulatory, economic and technological changes related to the low-carbon transition, in order to anticipate challenges, adapt strategies and seize opportunities to ensure the resilience and sustainability of assets.

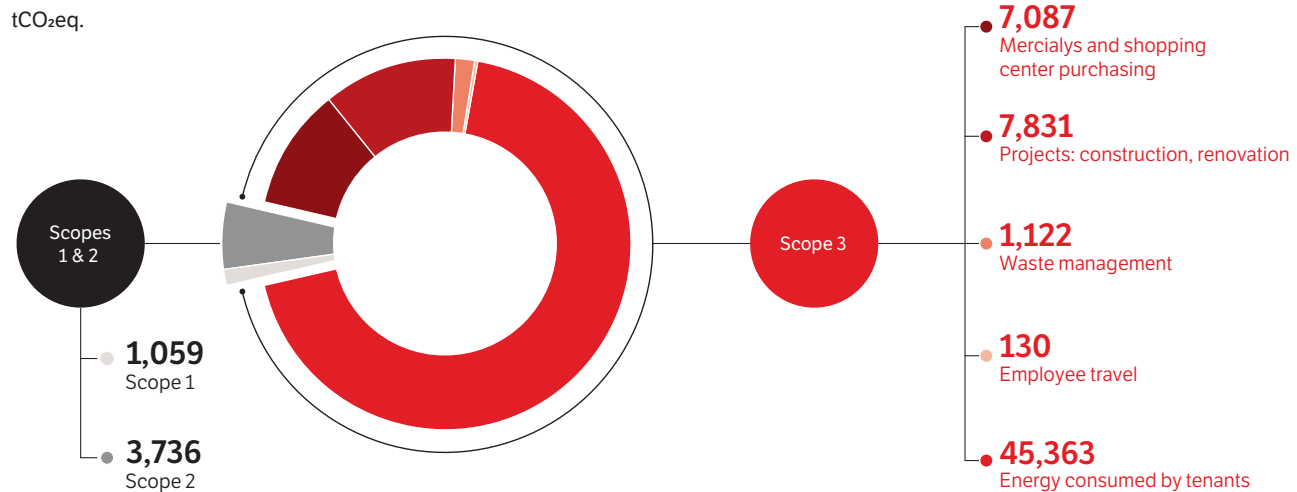
(1) Source: French Ministry for the Energy Transition, September 2020.

Contribute to planetary carbon neutrality

The graph below shows the breakdown of Mercialys' greenhouse gas emissions according to the 15 categories of the GHG Protocol,

offering a detailed overview of the Company's carbon footprint and the main sources of emissions across its value chain.

CARBON FOOTPRINT - LOCATION-BASED



02

By having its carbon roadmap certified by the Science Based Targets initiative (SBTi) since 2019, the Company is directly aligning its actions with the Paris Agreement. It contributes to the collective effort to limit the average rise in global temperatures to well below 2 °C compared with pre-industrial temperatures.

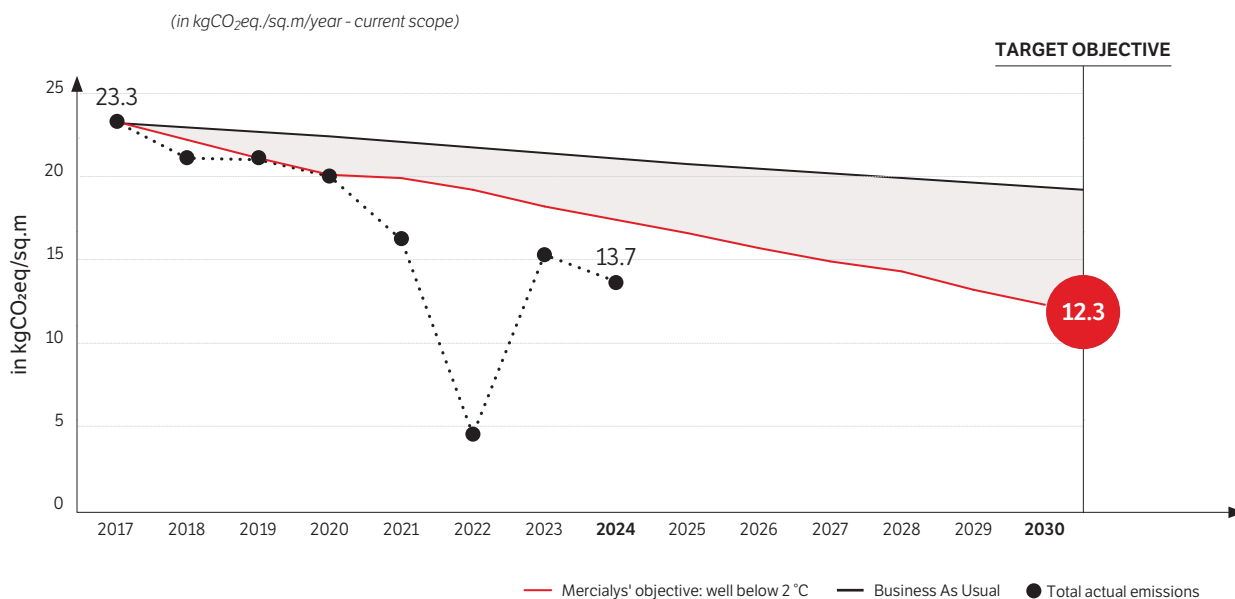
In order to define its objectives to fight climate change submitted to the Science Based Targets initiative (SBTi), Mercialys studied three scenarios, over several timeframes between 2022 (5 years) and 2050:

- the Business As Usual (BAU) scenario, estimating the change in Mercialys' emissions if its efforts remained at the level of the time;

- the Sectoral Decarbonization Approach (SDA) scenario of the real estate sector, making it possible to remain below a 2 °C increase (RCP 2.6 scenario of the IPCC Fifth Assessment Report);
- the scenario chosen by Mercialys, which leads to measures to reduce the emissions identified by the Company and limits the increase in global temperatures to Well Below 2 °C, the most ambitious category at that time⁽¹⁾.

The various scenarios, the roadmap defined by Mercialys and the results obtained are shown in the graph below.

MERCIALYS CARBON ROADMAP APPROVED BY THE SBTi



(1) When Mercialys submitted its carbon roadmap, the 1.5 °C category had not yet been launched by the SBTi (Science Based Targets initiative).

Aware that the fight against climate change goes beyond its scope of direct responsibility, Mercialis has set itself targets both for the energy consumption of the parts of its assets under its direct management and for refrigerant leaks from its air conditioning systems (scopes 1 and 2), as well as its carbon footprint extended to third-party stakeholders (scope 3). As such, Mercialis' climate strategy is based on four objectives covering the period between 2017 and 2030:

- reducing emissions related to energy consumption at its centers (scopes 1 and 2) by 47% per sq.m., using the market-based method ⁽¹⁾;
- reducing emissions from tenants' energy consumption by 46% per sq.m.;
- reducing emissions from employee travel by 26%;
- reducing emissions related to the treatment of waste produced by the centers by 26% per metric ton of waste produced.

The Science Based Targets initiative approved these objectives in 2019, making Mercialis one of the first commercial real estate companies to have its objectives scientifically approved. In 2024, Mercialis worked to redefine its carbon roadmap to make it more ambitious and compatible with the carbon neutrality objectives of 4 Fair Impacts for 2030. The Company waited for the release of the Net Zero Initiative for the real estate sector at the end of the year to submit its objectives for certification in early 2025. According to the new sectoral approach, unveiled in September 2024, the Company is now committed to an objective of reducing its emissions under a Whole Building Approach. This means that its commitment covers both the energy consumption of the common areas of its centers and also the energy consumption of its tenants, a sign of Mercialis' desire to involve its main stakeholders in its approach to fighting climate change. With this in mind, two additional targets relating to scope 3 have been added: one on emissions associated with waste management, and one relating to emissions linked to work carried out at its centers.

The Company has also drawn up its transition plan at asset level in order to identify levers for action, quantify them and phase them in over time. Collaborative work between the CSR Department, center management and asset management will be carried out in 2025 to roll out this transition plan at the level of each asset in accordance with local specificities and actions already carried out or in progress.

Continuing its actions on scopes 1 and 2

In order to achieve its 2030 objectives for scopes 1 and 2, Mercialis' strategy is based on four areas:

1. Reduce the energy consumption of its centers by using the following levers:
 - the modeling of shopping centers' energy consumption, free from the impact of unexpected events (e.g. a breakdown) and external influencing factors (e.g. weather, occupancy), is used to identify optimization measures and the investment required to improve assets' energy performance. All Mercialis assets have been the subject of such a study;
 - the implementation of remote meter reading at 86% of sites. This system makes it possible to measure in real time the energy consumption of the sites by use and to analyze consumption by cross-referencing it with activity data such as shopping center opening hours or footfall. Alerts are

automatically sent in the event of abnormal consumption so that certain management anomalies can be quickly corrected. This measurement and alert system also makes it possible to monitor water consumption and indoor air quality parameters (CO₂, temperature, humidity, fine particles and VOCs);

- the steering and supervision of facilities through Building Management Systems (BMS) at 96% of Mercialis' assets, in particular to manage the operating time slots of the facilities and to regulate temperatures. In 2024, Mercialis had 58% of its centers audited to assess whether improvements could be made in order to achieve ever greater energy savings. Following these audits, work programs were validated for 27% of its sites.

In addition, the Company continued its BMS deployment program by installing these systems in the remaining 4% of its unequipped assets.

In addition, the Company has continued to implement the sobriety plan put in place in 2022 to contribute to the national effort to save energy. It is based on the following key measures:

- lowering heating and air conditioning temperatures to 17°C in winter and 26°C in summer,
- limiting heating at night to the bare minimum,
- switching off of general lighting and signs one hour after the last store closes,
- adjusting the air flow rates of ventilation systems,
- shutting down hot water tanks,
- reducing the light intensity of advertising screens and large display walls.
- improving the maintenance of certain equipment, in particular HVAC (heating, ventilation, air conditioning). Thus, in 2024, Mercialis modified the specifications of its maintenance contract to move from a curative maintenance approach to preventive maintenance, and from an obligation of means to an obligation of results in terms of energy performance. This new contract will be used for the launch of a call for tenders on HVAC maintenance in 2025;
- multi-year work plans for the installation of energy-efficient equipment, such as LED relamping for lighting;
- improving the insulation of its sites, in particular by taking advantage of the repaired waterproofing of its sites to improve the overall insulation performance of the building such as at La Galerie Chateaufarine, where insulation with a higher thermal resistance coefficient was selected.

All these actions have helped reduce the energy consumption per square meter of the Company's shopping centers every year, achieving a reduction of 35% between 2017 and 2024.

2. Use less carbon-intensive energy to operate the shopping centers

In 2024, 40% of Mercialis' sites were supplied exclusively with green electricity. Mercialis is also able to reduce its carbon footprint with the development of self-produced renewable energy. For example, in 2024, La Galerie Cap Costières in Nîmes produced and consumed 307 MWh of electricity from solar energy thanks to photovoltaic units installed around the main building. This represents 41% of this center's annual electricity consumption.

⁽¹⁾ Market-based: method used to calculate CO₂ from energy consumption, which makes it possible to take into account energy suppliers' emission factors and to highlight the renewable energy purchase.

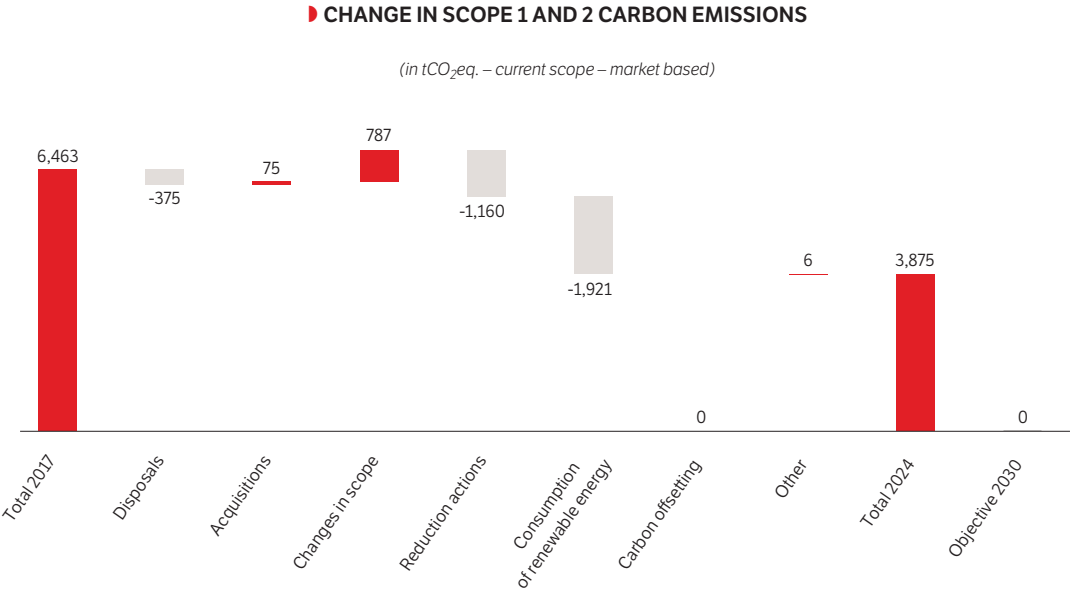
In addition, in 2024, Mercialis launched a study examining the potential in this area, to define its strategy for installing photovoltaic panels across the portfolio. This study helped to identify the potential of each site and to determine the most relevant recovery plan to implement.

In addition, when replacing HVAC equipment, the use of equipment that uses less carbon-intensive energy is preferred. For example, the heating and air conditioning equipment at La Galerie - Le Phare de l'Europe shopping center that used gas has been replaced by equipment powered by electricity, with a much lower carbon impact.

At the end of 2024, 58% of the energy consumption of Mercialis centers came from renewable sources, and 69% of the electricity consumed by Mercialis centers in mainland France was from renewable sources;

3. Replace leak-prone air conditioning systems with new units that run on refrigerants with a lower global warming potential (GWP, i.e. the level of contribution to the greenhouse effect). Mercialis checks its facilities regularly and monitors refrigerant leaks on a monthly basis. Its overall leak rate in 2024 was 1.3%, well below the national average, which is 9%. At the same time, Mercialis is exploring less-polluting alternatives to conventional refrigerants. All of these factors are an integral part of Mercialis' refrigerant replacement strategy.
4. As a last resort, Mercialis may have to offset its incompressible residual emissions. It has not yet resorted to this option.

Mercialis has assessed the impact of the measures it has implemented, as well as external factors, to analyze the factors used to reduce its carbon emissions (see graph below).

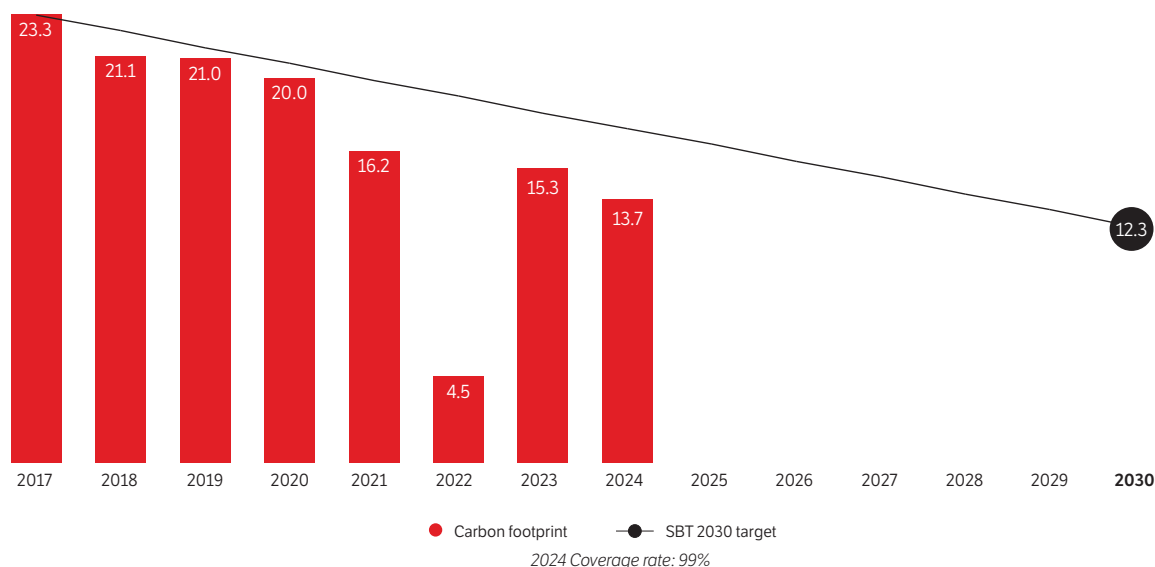


As such, the reduction in greenhouse gas emissions since 2017 is linked to action taken by Mercialis, whether in day-to-day management or investments. Thanks to these actions carried out

over many years, Mercialis is ahead of its carbon roadmap for its scopes 1 and 2, as shown in the graph below.

CARBON INTENSITY SCOPES 1 AND 2 PER SQ.M.

(in kgCO₂eq./sq.m. – current scope – market based)



Mercialys' scope 1 and 2 greenhouse gas emissions decreased by 11% between 2023 and 2024.

Enhance the approach by integrating scope 3

Meeting reduction commitments for scope 3 items involves the cooperation of all Mercialys' stakeholders. Its main levers for involving the shopping centers' tenants, employees and service providers are:

- working with retailers to reduce their energy consumption. For the past five years, retailers' consumption has been logged for incorporation into the Company's action plans and to provide them with comparative information useful for their operations (average energy consumption per square meter by type of activity, for instance, see p. 95). This work should also be amplified as part of the Tertiary Eco Energy System (DEET), which provides for cooperation between the lessor and the lessee to improve the overall energy efficiency of the building;
- advising tenants on their low-carbon electricity purchases;
- raising employees' awareness of their business travel's carbon impact. All employees are equipped with videoconferencing tools, widely used and the preferred option since 2020. The practice of teleworking, in place at Mercialys since 2017, is widespread (see p. 109 *et seq.*). In addition, the Company car leasing policy has been reviewed and now favors hybrid vehicles;
- working on the end-of-life treatment of the waste produced by the shopping centers. In conjunction with the waste collection services, Mercialys is seeking to optimize waste sorting and select the most energy-efficient outfalls in terms of carbon impact. These aspects were the subject of particular attention during the call for tenders conducted in 2023 (see p. 91).

GREENHOUSE GAS EMISSIONS

		SBT 2017-2030 objective	2024	2023	2022	2021	2020	2017	Change 2017-2024
Scopes 1 and 2	Energy for common areas and general services (in kgCO ₂ eq./sq.m.)	- 47%	13.7	15.3	4.5	16.2	20.0	23.3	- 41%
Scope 3	Energy consumed by tenants (in kgCO ₂ eq./sq.m.)	- 46%	62.4	52.8	54.0	51.0	62.7	51.5	+ 21%
	Employee travel (in tCO ₂ eq.)	- 26%	129.6	157.7	248.4	206.9	188.7	289.0	- 55%
	Waste management (in tCO ₂ eq./metric ton)	- 26%	0.165	0.167	0.170	0.172	0.175	0.280	- 41%

Mercialys is in line with its carbon roadmap and has already achieved two of its four objectives.

Mercialys presents all of its scope 3 items in the appendices (see p. 123 *et seq.*).

2.2.2 100% waste recovered

In 2024, Mercialis shopping centers produced more than 5,200 metric tons of waste. Nearly all of this waste comes from the retailers' business activities and quantities are dependent on their packaging policies as well as their logistics organization. This topic was also a high expectation for retailers according to the Company's stakeholder consultation. In order to respond to this challenge and optimize the recovery of retailers' operational waste, Mercialis has a three-pronged waste management policy:

- working with retailers to offer them appropriate sorting solutions;
- making tenants aware of the importance of sorting their waste;
- working with waste collection and treatment providers to choose the most appropriate solution for each site.

Adapting sites

The Company has systematized the sorting of the 5 waste streams (cardboard/paper, plastics, wood, glass, scrap metal) and bio-waste at its sites⁽¹⁾. Thus, on average, one site in the Mercialis portfolio sorts 5 waste streams. This number can go up to 9 flows, adding bulky items, Waste Electrical and Electronic Equipment (WEEE) and clothes hangers. As some centers do not have the capacity to sort all flows, Mercialis has launched work programs to create and / or expand them.

Additional systems are also rolled out for certain types of waste. For example, to combat food waste, some retailers are working with the start-up Too Good To Go. Its app allows all food-selling companies (restaurants, bakeries, supermarkets, etc.) to sell their unsold products at reduced prices. In addition to contributing to the fight against food waste, this is a source of additional income for retailers. Other shopping centers, such as Grand Quartier in Rennes and La caserne de Bonne in Grenoble, recycle cigarette butts.

Raising retailer awareness

Mercialis raises retailers' awareness through frequent reminders from center management, the property manager and on-site service providers. The Company has put in place clear signage in the waste sorting areas, affixed to the walls, equipment and floors to facilitate sorting. Moreover, a generic waste sorting guide, supplemented by a waste booklet tailored to each site, is regularly distributed to tenants. The latter are intended to be simple and educational to best support retailers. It is also included in the welcome booklet given to new tenants to make them aware of best sorting practices as soon as they move in. Tenant awareness-raising meetings are also organized in the presence of the waste service provider. In 2024, such meetings were held at 50% of assets.

Increased sorting streams and the ongoing awareness-raising of tenants have made it possible to improve operational waste sorting by 8 points at Mercialis' shopping centers compared with 2020, on a like-for-like basis.

Waste recovery

Once the waste has been collected, the waste service provider is responsible for treating it in such a way as to recover it and avoid its disposal in landfill. During the last call for tenders, Mercialis selected the service providers based on their proposed waste treatment method, favoring material recycling, composting, reuse or energy recovery. Similarly, in order to minimize the carbon impact of collections, the distance between the shopping center and the processing unit has been taken into account, and plans are in place for systems that automatically trigger collections when the containers are 3/4 full. The aim is to avoid pointless journeys. The use of reconditioned equipment has been also anticipated, in accordance with a circular economy approach.

Finally, in order to encourage the service providers in charge of waste collection and treatment to commit to a process of continuous improvement, they are asked to propose an annual sorting performance objective by asset, defined following the characterization audits carried out. This objective is reiterated in the regular newsletters sent to retailers.

WASTE RECOVERY

	Objective 2030	2024	2023	2022	2021	2020
Waste recovery rate	100%	68.5%	66.2%	64.7%	56.1%	53.7%
Coverage rate	100%	96%	96%	92%	93%	93%

In 2024, thanks to all these actions combined, 28% of centers achieved the Mercialis 2030 CSR strategy objective to recover 100% of their waste, with a 0% landfill rate.

2.2.3 Zero pesticide use

Mercialis has mapped its interactions with nature during its direct operations and throughout its value chain. In addition, a mapping of its entire portfolio has been drawn up to identify which sites are located near protected areas. It shows that only 27% of its assets are less than 500 meters from a protected area. The Company then assessed its impacts and dependencies related to nature, which enabled it to identify its main risks and opportunities in this area. The results of this work are presented on p. 117 *et seq.*, in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Careful management of green spaces

On the subject of biodiversity, it seems that Mercialis' main direct impacts relate to the methods and products used to manage its green spaces. Mercialis is therefore committed to promoting biodiversity from the ecosystems surrounding its shopping centers.

The Company has conducted ecological audits on 97% of its portfolio since 2020. These involve conducting inventories of existing biodiversity on its sites and assessing green space management practices to determine improvement recommendations.

(1) Excluding local authority or hypermarket collection.

These audits enabled Mercialys to launch a call for tenders, systematically including the following in the maintenance contract for the green spaces of its centers:

- the implementation of a “zero pesticide” policy;
- the differentiated management of green spaces according to the specific ecological features of each center;
- the fight against invasive species that harm native biodiversity by disturbing and destroying it;

► USE OF PESTICIDES

	Objective 2030	2024	2023	2022	2021	2020
Quantity of pesticides used (l)	0	0	5.0	5.0	7.0	40.0
Coverage rate		92%	92%	94%	91%	85%

In 2024, no pesticides were used in the maintenance of green spaces at the shopping centers, instead prioritizing manual or mechanical weeding for example.

In addition, La Galerie Lanester and Espaces Fenouillet near Toulouse have adopted eco-grazing in collaboration with local companies specializing in this type of maintenance. Eco-grazing is a natural alternative to mechanical and chemical techniques, using herbivores to maintain green spaces. This method is non-polluting, quiet, and preserves biodiversity.

Lastly, for the implementation of new green spaces or the renewal thereof, Mercialys prepared specifications to be followed by its service providers. These specifications include a database of species to be protected in each region due to their endemic or non-invasive nature, classified by type of plant: trees, shrubs, climbers, etc. Each species is then qualified according to 14 criteria, such as its need for water, its size or its interest for biodiversity. It is a practical guide for operational teams that helps to establish species adapted to the climate in which they are found and which will therefore require fewer inputs to live, while combating the involuntary introduction of invasive species, which is one of the five major causes of the erosion of biodiversity as identified by the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services).

- the use of native species to limit the need for external action.

Thus, at the end of 2024, 92% of the green space management contracts at Mercialys centers included these provisions, in particular a clause prohibiting the use of pesticides. Each year, the service provider is monitored to ensure the proper application of this clause.

Promoting the development of biodiversity

Mercialys is also seeking to boost high-value biodiversity at its sites by installing facilities adapted to local fauna. Thus, in line with ecologists' recommendations, 79% of shopping centers now have nesting boxes for birds, insect hotels, bat hotels, beehives, living walls, green roofs, etc.

The centers take advantage of the installation of these facilities to raise visitor awareness about the protection of biodiversity. In 2024, La Galerie Espaces Fenouillet, La Galerie Chateaufarine and the caserne de Bonne invited their customers to get involved in honey harvesting.

In 2024, centers also installed information panels to raise visitor awareness of the challenges of protecting biodiversity.

According to the inventories carried out as part of the ecological audits, one species protected on a national level was observed at 48% of Mercialys sites and one endangered species according to the IUCN classification at 19% of the centers.

When protected species are identified, specific measures are taken to preserve them. For example, the green space service provider at La Galerie Le Phare de l'Europe in Brest has been informed of the presence of a protected species of orchid on the site, and pays particular attention to it during its interventions. At La Galerie Fréjus, the teams in charge of the center's management are particularly vigilant about swallows' nests. Lastly, in Cap Sacré Cœur on Reunion Island, measures to extinguish outdoor lighting have been put in place so as to avoid disturbing the petrels present in the area surrounding the site.

2.2.4 Effective management of the artificialization of soils

As a real estate company, Mercialys considers the fight against the artificialization of soils to be a major issue and one to which it has been committed for several years. Indeed, the Company is fully committed to the national objective of “net zero artificialization”. Since its creation in 2005, Mercialys has favored developments in areas already waterproofed to carry out its major extension projects without altering land use (car parks and warehouses in particular).

In addition, the Company may need to rethink the structure of its shopping centers by rebuilding or restructuring the existing building. It might, for example, reduce the surface areas of supermarkets in order to transform them into several stores, or to increase their density by creating multi-story car parks.

Its urban projects contribute to the redevelopment and densification of (brownfield) spaces, to limit urban sprawl.

As a result, Mercialys is delivering on its 2030 commitment and, for new projects, it ensures that land densification and redevelopment are prioritized over the artificialization of soils. It also considers the possibilities of rewinding when appropriate.

2.3 For our stores

Because retail is undergoing major changes, notably driven by a need for proximity and meaning, Mercialis is committed to promoting more responsible retail by:

- offering its customers a range of more sustainable and ethical products and services in its certified centers;
- committing to its tenant retailers through a “responsible landlord tenant” pact.

02

2.3.1 100% of strategic assets BREEAM In-Use certified

Mercialis uses the international environmental certification BREEAM In-Use as a simple, readable and scalable management tool for the assessment of its assets. This tool is used to support teams in the environmental management of sites. It provides a framework for comparing the assets of a portfolio, identifying best practices and highlighting the teams’ work on a daily basis. Furthermore, certification helps the Company to implement the work necessary to guarantee the resilience of its portfolio, in both environmental and societal terms, by taking into account emerging CSR issues. On the other hand, certified, energy-efficient and resilient shopping centers represent differentiating added value likely to make the centers more attractive to visitors, tenants and investors. Lastly, certification also addresses the issues that need to be considered from the point of view of financial stakeholders, as evidenced by the Euro 385 million cumulative credit lines signed since 2021 that notably include this indicator (see p. 81).

In 2024, Mercialis finalized the migration of its certified portfolio to the new version 6 of the BREEAM In-Use manual. This new version, which is more rigorous than the previous one, strengthens the environmental resilience aspect. All the strategic centers assessed according to this new version were deemed Very Good for the asset management component, and 59% were deemed Excellent. These results demonstrate the daily commitment of the teams to maintaining the Company’s assets in line with the highest environmental standards.

► CERTIFICATION LEVEL: ASSET MANAGEMENT



All strategic assets, representing 90% of the portfolio's value, were thus certified at the end of 2024, with an average score of 71% in asset management. These excellent results testify to Mercialis’ maturity and its teams’ commitment to continually improving operational performance.

To ramp up its efforts, Mercialis has rolled out this certification beyond its strategic portfolio and currently covers 96% of its portfolio, as well as assets held in partnership with investors, who thus benefit from this expertise.

► ENVIRONMENTAL CERTIFICATION ON OPERATIONAL PERFORMANCE

	Objective 2030	2024	2023	2022	2021	2020
Share of strategic centers certified	100%	100%	100%	100%	100%	83%

2.3.2 100% of centers offering responsible stores and services

As a lessor, Mercialis aims to provide its visitors with an attractive and sustainable retail offering. This offering is being rolled out both at its centers and digitally, thus responding to new consumption patterns. It contributes to the sustainability of physical stores and their role of revitalizing the regions and the employment market over the long term.

Developing an innovative omnichannel commerce

Having an outlet in a shopping center is an advantage for retailers, who benefit from a physical environment that creates commercial,

logistical and environmental synergies (as demonstrated by the FACT study ^{(1) (2)}). Thanks to the multiple stores present in the same place, they can implement an effective communication policy in the catchment area. In order to cope with the rise of e-commerce whilst maintaining this strength, Mercialis is adapting its service offering, notably through the development of the Le Shop set of solutions. This ecosystem of services, directly integrated within the shopping centers’ websites, enables Mercialis to respond to changing consumer trends.

(1) FACT: Fédération des Acteurs du Commerce dans les Territoires

(2) Comparative study of the social and environmental impact of physical retail compared to e-commerce - 2021.

Le Shop allows any store in the same center to offer its items for sale and to benefit from tailor-made delivery solutions (home or in-store delivery). Different brands of food and non-food products can be ordered and delivered at the same time, reducing the carbon impact of delivery. Le Shop thus increases lessees' visibility and provides them with an online sales solution, especially useful for shops that do not have the resources to develop their own website and associated delivery services. This offering is thus a major opportunity for Mercialis and its tenants to generate new revenue growth while increasing the footfall at shopping centers during normal opening hours. It helps to build up the societal resilience of Mercialis' shopping centers. At the end of 2024, Le Shop was available at 74% of the Company's strategic shopping centers.

Establish environmentally and societally sustainable retail and services

According to the 16th responsible consumption barometer⁽¹⁾, 78% of French people are committed to responsible consumption.

Mercialis is supporting these changes and aims to present a retail offering that is not only environmentally responsible, but also to position its assets as key players in local life, incorporating aspects related to public interest. Since then, this objective was expanded in 2024, with responsible retail and services provided by retailers or service providers whose sustainability is determined according to the following:

- their nature, such as an offering based on ethical sourcing or health benefits (health centers, pharmacies, etc.);
- aspects associated with public services as essential needs, in particular for older consumers and / or those less familiar with digital technology, and community services, facilitating daily life, in particular for families;
- areas relating to the circular economy and contributing to the fight against planned obsolescence, reducing waste and encouraging reparability;

- the "Responsible Retailer" label, making it possible to assess the level of performance achieved by stores using performance guidelines established by the Collectif Génération Responsable⁽²⁾ and associated stakeholders. As such, the objective of this approach attests to and promotes the work undertaken by the retailer in terms of the environment, employee relations, customer relations and the integration of the outlet within its region.

The installation of electric vehicle charging stations is also included as a requirement within this objective, which is particularly relevant to Mercialis' shopping centers, given that they are located in regional areas as opposed to city centers.

To be included within the scope of this indicator, the center must be equipped with Le Shop and have at least two of the shops and services mentioned above.

As an illustration of this approach, Mercialis conducted several pilot projects in 2024 in relation to the responsible retail offering.

Thus, the Company initiated the opening of the first Geev Shop in La Galerie Espaces Fenouillet shopping center in Toulouse. This first-of-its-kind project allows any subscriber visitor to collect up to five products per month, from donations. By promoting donations and second-hand goods, this initiative aims to implement the circular economy approach in Mercialis shopping centers.

Furthermore, in 2024, Mercialis centers welcomed parcel recovery operators. These companies ensure that lost parcels are not destroyed, thereby avoiding associated greenhouse gas emissions. They also offer the opportunity for more purchasing power to center visitors.

Since 2024, La Galerie La Valentine center has also hosted La Ressourcerie, which contributes to reducing waste, promotes the reuse of items, and raises awareness of more sustainable consumption, whilst creating local jobs and strengthening social solidarity.

Lastly, La Galerie Espace Monthieu works in favor of the functional economy by hosting Les Biens en Commun, a company that offers everyday equipment for rent rather than for sale. This helps reduce the environmental impact, helps customers save money and encourages a sense of community among users.

RESPONSIBLE RETAIL AND SERVICES OFFERING

	Objective 2030	2024	2023	2022	2021	2020
Percentage of strategic centers offering responsible retail and services	100%	94.4%	95.1%	95.2%	97.5%	89.0%

(1) Source: GreenFlex-ADEME responsible consumption barometer, 2023.

(2) Collectif Génération Responsable is a non-profit organization under the French Law of 1901 which contributes to the development of policies and concrete actions by retailers in terms of both societal and environmental sustainable development.

2.3.3 100% of our tenants committed to our “responsible landlord tenant” pact

Tenant retailers are Mercialis’ direct customers. The Company is therefore keen to meet their needs and provide them with an environment suitable for carrying out their business and seeks to cooperate with them in a balanced and long-term relationship.

Promoting awareness with retailers

In order to encourage its tenants to adopt an approach to reducing overall environmental impacts, Mercialis has standardized the environmental clauses in all new contracts signed, from the first square meter ⁽¹⁾. This clause provides, amongst other things, for the exchange of information between the lessor and the tenant and an action plan to improve the overall environmental performance of buildings and leased premises. 100% of the leases signed during 2024 included an environmental clause, bringing the percentage of leases with an environmental clause to 50% of all Mercialis leases. As tenants’ average lease length is relatively long, it will take time to roll out this clause across the entire Mercialis portfolio.

Furthermore, meetings to present the progress of each center’s CSR strategy to retailers are held annually, facilitating the practical implementation of these environmental clauses. Such meetings were held at 50% of assets in 2024. Mercialis implements many initiatives to enhance cooperation with retailers, in particular on environmental issues. Thus, the Company provides them with information documents, including the welcome booklets given to new tenants, which include a presentation of the center’s CSR approach and the eco-friendly practices to adopt.

In addition, the Company produces and distributes a sorting guide to help retailers easily identify what is recyclable and in which containers to deposit their waste. This is supplemented by a waste booklet, specific to each center, indicating the location of waste sorting areas and supplying practical information such as safety instructions related to the use of equipment.

Sharing with retailers

Mercialis is continuing to recover the energy and water consumption of its tenants. In 2024, the Company collected information about the private energy consumption of 54% of its tenants. This information enables it to initiate dialogue with the retailers in question, providing them with comparative information and ways to improve the energy performance of their operations.

In addition, as part of the application of the obligations related to the Tertiary Eco-Energy Decree (DEET), Mercialis is initiating discussions with its tenant retailers. In 2024, these related in

particular to the coordination of energy consumption declarations to be made on the OPERAT platform, and will be enhanced in future years. Indeed, to achieve the objectives of the decree, namely to reduce energy consumption by 40% by 2030, then 50% in 2040 and 60% in 2050, lessors and lessees will have to co-develop and monitor action plans.

To ensure tenant satisfaction, Mercialis conducts several satisfaction surveys each year on different and complementary topics. The Company questions its tenants about their level of well-being within the centers, their level of satisfaction with the services offered and the quality of the service providers’ work in the shopping center. The Center Management Department then feeds back the results of these surveys to retailers and proposes an action plan to improve their satisfaction. Administered in digital format, it was sent to the retailers at 94% of Mercialis centers in 2024. The Company plans to survey its tenants each year in order to analyze changes in their satisfaction.

Structuring relations with tenants

Mercialis launched its tenant portal in 2023. It contains information and documents that are useful to tenants. After its first year in operation, the Company conducted a satisfaction survey among retailers who use this tool. 72% of customers who responded to the survey said they were satisfied. This survey also identified several areas for improvement that will be implemented in 2025.

In addition, Mercialis has begun working on a “responsible landlord tenant” pact. Its objective is to engage all its brands and independent retailers in CSR issues, marketing, or business.

To meet the needs of Mercialis and its tenants, work was carried out in two stages. Firstly, an analysis of Mercialis’ existing relationships with its retailers was carried out. Interviews were conducted internally with one or more managers of each department in regular contact with tenants: operations, asset management, letting, legal, rental management, marketing, innovation and customer experience, institutional relations, and CSR.

This inventory was then supplemented by interviews with retailer trade associations as well as a questionnaire for a panel of retailers, which identified their expectations and anticipated potential obstacles to the deployment of this agreement.

Despite these various initiatives, Mercialis’ rigorous approach concludes that it is necessary to come up with an additional approach with retailers so as to see real progress towards this objective.

ENGAGEMENT WITH TENANTS

	Objective 2030	2024	2023	2022	2021
Percentage of tenants engaged with the “responsible landlord tenant” commitments	100%	0%	0%	0%	0%

(1) Excluding amendments and exceptional leases of less than one year.

2.3.4 Zero health and safety incidents

As a real estate company, Mercialis is responsible for ensuring the safety of visitors and staff working at its shopping centers. In particular, it must ensure compliance with the regulations in force, the quality of safety services and the adequacy of the health safety systems implemented.

In addition to safety, Mercialis seeks to ensure the comfort and well-being of customers visiting its shopping centers and the retail employees who work there. The aim is to retain them by offering a high-quality customer experience, a guarantee of satisfaction. The Company's quest for operational excellence is driven by its desire to provide a welcoming atmosphere to visitors and staff working in Mercialis' shopping centers. This quality approach also applies to security services at the centers, in order to limit security risks.

Preventing health & safety risks

Mercialis is especially attentive to the management of the health and safety risks by its shopping centers' property manager. A risk prevention and management policy has been drawn up with its stakeholders to identify and assess the risks, then put in place the appropriate risk management procedures and systems.

To ensure that these measures are proportionate, effective and properly applied, multiple drills and checks are carried out. At the same time, the real estate portfolio's regulatory compliance status on these issues is monitored on a regular basis by the operations, asset management and CSR departments. This makes it possible to identify future measures to be taken and monitor their progress.

An annual audit of each security provider is carried out. This covers the qualifications of the teams, their continuous training and their knowledge of prevention procedures and measures. It is supplemented by situation tests. In the event of a score below 90%, the service provider must offer the property manager a corrective action plan. It must then undergo a counter-audit within no more than 3 months. If the result of this counter-audit remains unsatisfactory, the contract with the service provider is terminated.

Mercialis' Risks Prevention Committee (RPC) also organizes unscheduled internal audits every year. They focus on the correct application of personal safety procedures by the property manager and the fire safety service provider.

The fire safety service provider also conducts safety drills once or twice a month. "Full-scale" drills can also be organized with public emergency services such as the fire Department or the police.

In addition, Mercialis regularly conducts specific preventive audits and assessments. These may relate, for example, to checking the soundness of roofs and the absence of legionella contamination in water systems. The objective is to ensure that these risks are properly managed, over regulatory requirements.

Securing personal data and information systems

In addition to physical safety, Mercialis must also secure the personal data of its shopping centers' stakeholders, employees, customers and tenants. A Data Protection Officer (DPO) ensures that the Company's practices comply with applicable regulations and in particular the General Data Protection Regulation (GDPR). A map of this data processing is regularly updated. It ensures that these data are processed in line with previously identified goals, in complete security and confidentiality, whether by Mercialis or its subcontractors.

To improve personal data processing, Mercialis has a GDPR compliance management software platform. In addition, compliance checks are conducted on a regular basis. Care is taken to raise awareness amongst employees, and more particularly, amongst the teams responsible for processing such data. In 2024, all Company employees received GDPR training.

Furthermore, Mercialis makes every effort to provide people with the clearest and most transparent information on how their data is used by the Company and their right to have their data deleted.

More broadly, Mercialis deploys procedures to ensure cybersecurity, or the protection of its information systems and the data embedded in them. This protection is provided by the Information Systems Department (DSI), which reports to the Chief Executive Officer. It is based on the following four areas:

- prevention *via* the risk distribution strategy by using several Cloud platforms and regular awareness-raising of all employees on best practices in terms of cybersecurity; in 2024, 7 dedicated communications were sent to all Company employees;
- detection *via* the widespread use of a tool for monitoring network equipment and application accessibility, as well as the implementation of a VPN securing access to critical applications;
- crisis management with the development of an IT continuity plan and simulations;
- information retrieval, with the backup strategy implemented.

There were no significant IT system breaches, data losses or cyberattacks in 2024.

► SAFETY AUDITS

	Objective 2030	2024	2023	2022	2021	2020
Average score	95%	92.4%	92.2%	94.4%	92.6%	91.7%
Percentage of shopping centers that have audited their security service provider		97%	97%	97%	97%	87%

2.4 For our communities

Because Mercialis is deeply rooted in local communities, it is committed to being a major partner to sustainable development, by:

- forging special links that create mutual value with local players;
- developing mixed-use spaces that generate solid and diversified activities;
- supporting local employment through local recruitment and subcontracting and initiatives led by local teams.

02

2.4.1 100% of centers committed to robust regional development

Shopping centers are places where people meet and foster community cohesion. They thus play an active role in the cities where they are located, creating new forms of centrality. Aware of this responsibility, Mercialis places its centers right at the heart of their local ecosystem. They contribute to the economic development of the regions in which they are located, by generating, among other things, local employment.

Supporting jobs in the centers

Mercialys centers host nearly 17,000 long-term jobs that cannot be relocated, generated by site retailers. Indeed, 95% of shopping center jobs in France are permanent contracts, higher than the national average of 85% ⁽¹⁾. Mercialis also broadcasts these jobs by publishing job offers from retailers on each center's website and social media. The Company increased the visibility of 70 job opportunities with its tenant retailers in 2024.

Furthermore, the centers' day-to-day management requires the involvement of numerous service providers (security, cleaning, etc.). In 2024, nearly 250 jobs were associated with on-site services.

Promoting jobs around shopping centers

The Company is also proactive in its support of employment in its economic regions. Every year, employment initiatives, such as job fairs or job datings are organized at the centers in partnership with local or national brands and recruitment agencies. The shopping centers provide these businesses with spaces to more widely advertise their job vacancies. They may be tenants of the shopping center looking to recruit, or companies outside the center, present in the local region. For example, the Job Bus (Bus de l'Emploi) was hosted at La Galerie La Valentine shopping center, to help promote local recruitment.

Another example is La Galerie Espaces Fenouillet, which has a job information unit (Relais Information Emploi). This is a service offered by the Fenouillet town council, the Pôle emploi jobs center and the CBE ("Comité de bassin d'emploi nord 31"). The units hosts workshops as well as providing information for jobseekers, employees and students as well as for companies looking for employees. Individual support is offered, as are collective workshops and local job offers with follow-up and networking.

In 2024, 70% of strategic centers supported an employment initiative.

Boosting regions

In order to revitalize the regions and their stores, Mercialis also signed a national partnership in 2021 with the Initiative France network, the leading non-profit network for financing and supporting entrepreneurs in France. It reflects the reciprocal desire of the two players to support, in close synergy with local authorities, the economic development of the regions by facilitating the creation of businesses. The partnership is then implemented at the local level with each regional branch of the Company's centers. At the end of 2024, 52% of strategic centers had committed to local Initiative France associations, which is reflected in a number of ways.

First of all, Mercialis brings its expertise by encouraging its center directors to participate in commissions and panels to award financing to local entrepreneurs. As trade experts, they can support and advise them on their projects by analyzing the business plans presented to obtain financing, for example.

Then, the Company offers spaces that allow entrepreneurs to test their commercial offerings in real conditions. It was to this end that La Galerie Cap Costières opened an Initiative Gard shop.

REGIONAL DEVELOPMENT

	Objective 2030	2024	2023	2022	2021	2020
Share of strategic centers committed to robust regional development	100%	69.6%	43.3%	60.1%	19.9%	5.7%

(1) Source: French National Shopping Centers Council (CNCC), Shopping centers, creating jobs and social ties, March 2017.

2.4.2 100% of strategic centers with multifunctional spaces

Visitors are increasingly looking for multi-purpose venues, combining physical retail and services such as coworking, leisure areas, nurseries and medical practices. To maximize the use and enhancement of built-up areas and increase its resilience to changes in use and changes in consumption patterns, Mercialys integrates these multifunctional spaces into its shopping centers.

Mercialys is developing co-working spaces, operated under the "Cap Cowork" brand. In all, this activity uses more than 1,500 sq.m. The Company plans to continue to duplicate these spaces over the coming years, in line with the positioning of its sites in other centers.

Mercialys is also setting up health centers, such as at the La Galerie La Rocade Furiani near Bastia, home to the first health center inside a Corsican shopping center. It accommodates 9 practitioners with different specialties. These two new uses reflect the same desire to adapt the merchandising mix, generating both economic and societal value and meeting the challenges of functional diversity and local anchoring.

In addition, the Company became the majority shareholder of the DEPUR group in 2023, which will ultimately enable it to enhance its catering, entertainment and leisure offering at its sites and thus accelerate this area of its CSR strategy.

► MULTIFUNCTIONAL SPACES

	Objective 2030	2024	2023	2022	2021	2020
Share of strategic centers with a multi-functional space	100%	60.5%	59.5%	57.7%	56.7%	48.9%

2.4.3 100% local and responsible purchasing

Purchases represent a significant portion of a company's expenses and are, therefore, an effective lever for rolling out a corporate CSR policy. As a contracting company, Mercialys is not only responsible for the goods and services it purchases directly (from tier-1 service providers), but also for those purchased on its behalf by its agents and service providers (tier-2 and -3 service providers). Although the Company is not subject to certain provisions of the French Sapin II Law ⁽¹⁾, or the law on the "duty of care" ⁽²⁾, it voluntarily implements procedures to address these issues that, whilst not being regulatory prerequisites, are inherent to business ethics.

To ensure that the appropriate measures are in place for each purchasing category, Mercialys has structured its responsible purchasing approach around the following measures:

- mapping its purchases: the Company has identified the main categories of purchases made by Mercialys and its intermediaries;
- assessing its CSR risks and opportunities: each purchasing category was assessed with regard to five aspects of risk, making it possible to identify and rank the categories most at risk:
 - country risk, ethical risk,
 - environmental risk,
 - human rights risk,
 - risk related to personal health and safety,
 - risk related to economic ties;

- developing management measures appropriate to the type and level of risk identified: Mercialys has defined appropriate measures to be implemented to mitigate risks and/or seize identified opportunities. The Company relies on the tools it has designed (such as its "construction and maintenance specifications" or its ethics commitment letter);
- applying the tools and procedures defined by Mercialys in practice to comply with its requirements: the Company has implemented these tools on an operational level, for example, by including specific CSR clauses in service agreements for its centers;
- monitoring the effective application of these measures: depending on the measures taken, Mercialys sets up reporting processes, requests supporting documents, and carries out on-site audits (for example, security service provider audits), etc.

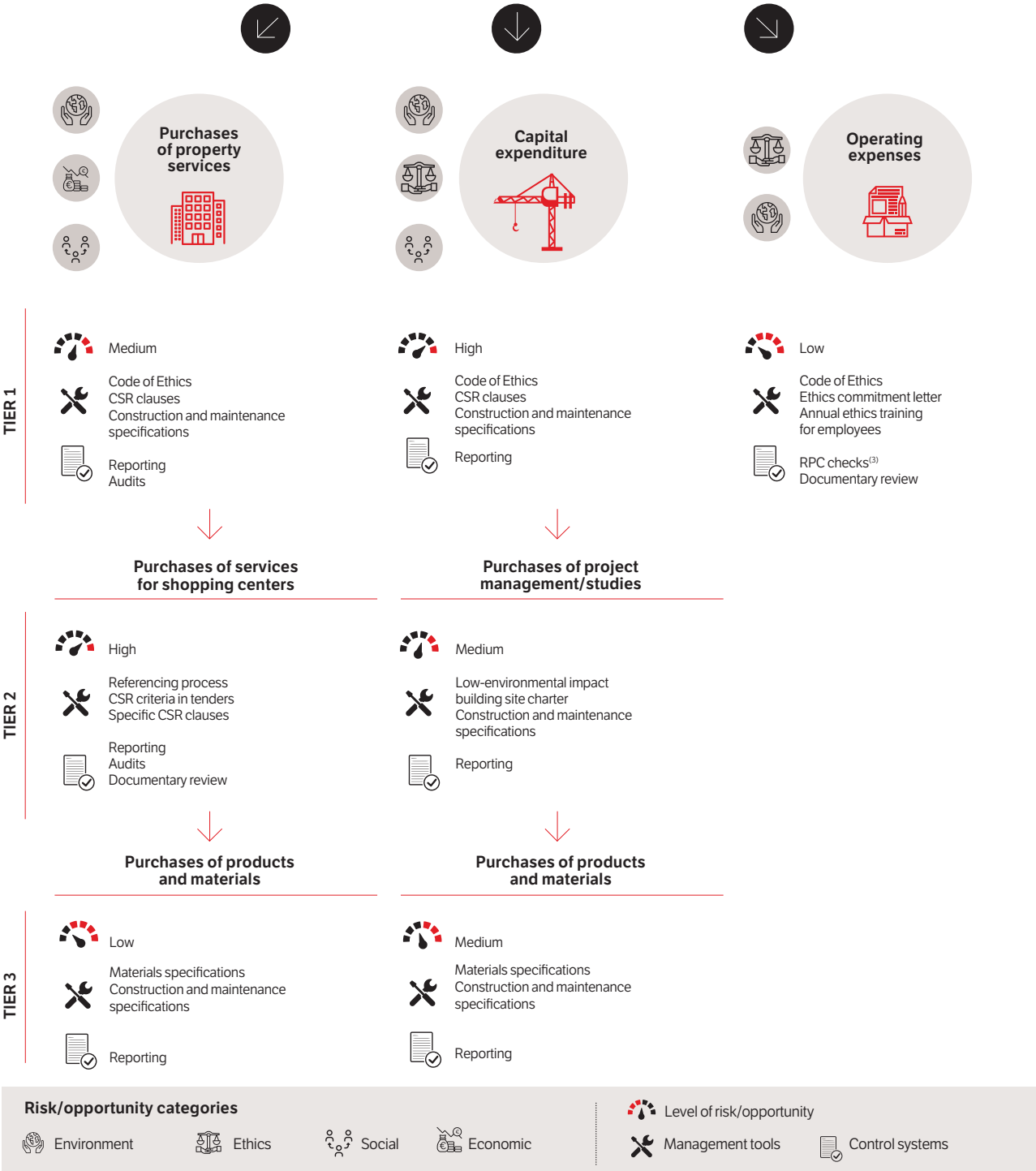
A summary of this mapping and the various aspects implemented for each purchasing category is presented opposite.

⁽¹⁾ Article 17 of Law No. 2016-1691 of December 9, 2016 relative to transparency, the fight against corruption and the modernization of economic life (the French Sapin 2 Law).
⁽²⁾ Law No. 2017-399 of March 27, 2017 relative to parent companies' and contracting companies' duty of care.

► MAPPING PURCHASES

MERCIALYS

02



(1) RPC: Risks Prevention Committee.

Managing shopping centers purchases

Mercialys works with a large number of economic players to coordinate, operate and renovate its assets: property managers, communications agencies, delegated project management, etc. Some of these companies have direct contracts with Mercialys (tier-one service providers), while the services provided for its assets (tiers two and three) do not have a contract with the Company but with an intermediary.

These services are most likely to be affected by the risks identified above. These services may present:

- social risks: stemming from undeclared work, forced labor or non-compliance with working hours;
- environmental risks: stemming from the use of products which are dangerous for people, or non-compliance with environmental regulations;
- ethical risks: risk of corruption;
- economic risks: risk of dependency.

As a result, Mercialys has included CSR clauses in its main tier-1 contract for its shopping centers, namely the technical management mandate.

The technical management mandate notably provides for support with the BREEAM In-Use certification of the Company's portfolio, the monthly monitoring of energy consumption, water consumption and waste production on the Mercialys reporting tool, and the half-yearly assessment of the regulatory compliance of its sites, as well as annual monitoring of the quality of services and compliance with Mercialys' CSR requirements for the main services purchased for its centers.

In addition, Mercialys' technical management service provider is subject to both the "Sapin II Law" and the law on "duty of care". A map of corruption risks and a duty of care plan have been drawn up, and determine the implementation of strict measures in terms of referencing, evaluation and monitoring of purchases, providing additional assurance to Mercialys.

To go further, Mercialys works with its property manager to incorporate CSR into the calls for tenders issued for services at the centers (tiers 2 and 3). Thus, in 2024, preliminary work was carried out on the specifications and contract for the maintenance of HVAC facilities in order to switch to a preventive maintenance approach and to an obligation of results in terms of the energy performance delivered by this equipment.

CSR clauses are included in service agreements for the centers, as well as the cleaning contract, which requires the use of eco-labeled products. In 2024, 87% of shopping center purchases had specific CSR clauses tailored to each type of service.

Mercialys also included all of its social and environmental requirements in its "construction and maintenance specifications" for projects and works. This document stipulates all the requirements for the building's environmental certification, its energy performance, the sorting of construction waste, and the certification of materials used. Thematic specifications are also provided for each type of work. Detailed specifications for the implementation of Centralized Technical Management) and specifications for the greening of interior and exterior spaces were thus drawn up and shared with the service providers involved in these purchases.

Finally, aware of its impact on employment in its area of activity (see p. 97 *et seq.*), Mercialys seeks to promote local jobs for the services provided by its centers, including regular site visits. Since 2021, a survey has been carried out to find out where suppliers operating in its centers are travelling from: 72% of these purchases are local. This aspect, although previously taken into account on an informal basis, is now included as a selection criterion in new contracts and calls for tender.

► RESPONSIBLE SHOPPING CENTER PURCHASING

	Objective 2030	2024	2023	2022	2021	2020
Share of assets purchases covered by CSR clauses	100%	86.6%	87.9%	83.6%	81.9%	75.3%
Share of shopping center purchasing not covered by CSR clauses		7.9%	7.4%	8.4%		
Share of shopping center purchasing still to be assessed		5.5%	4.7%	8.0%	18.1%	24.7%

► LOCAL SHOPPING CENTER PURCHASING

	Objective 2030	2024	2023	2022	2021
Share of local assets purchases	100%	71.9%	87.1%	79.8%	59.1%
Share of non-local shopping center purchasing		2.5%	2.3%	1.3%	1.1%
Share of shopping center purchasing still to be assessed		25.6%	10.6%	18.9%	39.8%

Clauses are now included in almost every contract relating to its centers: 87% of them have CSR clauses tailored to the specific nature of each purchasing category and 72% are local. Monitoring

procedures are in place to ensure the proper application of these clauses. Each year, the Company works to extend this analysis to all its purchasing to reduce the share yet to be assessed.

Applying the Company's CSR requirements to its operating purchases

The purchasing necessary for Mercialis' operations mainly pertains to purchases of services with a specific contract (e.g. consulting, marketing), and purchases of ordered goods (e.g. office supplies).

The former in particular can involve ethical risks. In order to prevent these risks, the Ethics and Compliance Director updates a corruption risks map and measures are put in place to mitigate such risks. In fact, for each new service provider codification, mandatory documents are requested such as their URSSAF certificate to

combat undeclared labor, as well as the signing of an ethics commitment certificate. By signing this certificate, they undertake to comply with the fundamental principles set out by Mercialis in terms of human rights, working conditions, ethics and environmental protection. The Company also signs confidentiality agreements when the services purchased involve the sharing of certain information.

For purchases of goods that are not the subject of a specific contract, Mercialis incorporates CSR criteria in the selection of the products it purchases. It favors eco-labeled products (FSC, European eco-label, etc.), certified companies (ISO 14001, ISO 9001) and French companies.

02

► RESPONSIBLE CORPORATE PURCHASING

	Objective 2030	2024	2023	2022	2021	2020
Share of corporate purchases covered by CSR clauses	100%	12.4%	32.6%	31.2%	26.7%	25.7%
Share of corporate purchasing still to be assessed		87.6%	67.4%	68.8%	73.3%	74.3%

► LOCAL CORPORATE PURCHASING

	Objective 2030	2024	2023
Share of local corporate purchasing	100%	99.2%	99.5%
Share of non-local corporate purchasing		0.8%	0.5%
Share of corporate purchasing still to be assessed		0%	0.0%

Mercialis has prioritized its efforts on purchases made for its shopping centers, being those with the greatest CSR impact. The

Company is working to do the same for its corporate purchasing, consisting essentially of purchases of intellectual services.

2.4.4 Promoting and supporting eco-mobility

New modes of transport have been developed in recent years, which are more environmentally-friendly than petrol and diesel cars. In order to follow this trend, Mercialis is seeking to diversify the transport solutions available to access its shopping centers. Although the Company can implement initiatives to promote these behaviors, it relies heavily on the Government, and action from local authorities in particular, to put in place alternative means of public transport.

Mercialis' primary lever is to support the development of an innovative and low-carbon transport offer. To do so, the Company maintains a regular dialog with its stakeholders, particularly local authorities. The goal is to make the shopping centers as accessible as possible by public transport, whether in relation to service frequency, times or ease of access. At the end of 2024, all centers had at least one entrance less than 500 m from a public transport stop, with an average frequency of less than 15 minutes during peak hours.

At the same time, Mercialis is also involved in the installation of specific equipment in its car parks. It launched a consultation to this end, in order to progress the installation of ultra- or semi-fast charging stations for electric vehicles at these centers. At the end of 2024:

- 100% of centers have bicycle shelters;
- 83% of car parks are equipped with charging stations for electric and hybrid vehicles;
- 51% of car parks offer spaces reserved for carpooling.

The second lever is to promote these modes of transport, in order to encourage visitors and shopkeepers to use them. Several communication channels are used:

- information about the routes serving the centers are regularly displayed on the center's screens;
- directional signage points the way to public transport stops;
- screens display the times of the next public transport service departure;
- the shopping centers websites provide information on center accessibility and facilities available.

Thus, Mercialis supports projects to equip the car parks at its centers with specific facilities encouraging low-carbon mobility, and then ensures their visibility with customers and retailers.

2.4.5 100% of centers open to civil society

For Mercialys, being a local player also means promoting solidarity. It thus multiplies the number of non-profit organizations by providing them with free casual leasing, organizing environmental or societal campaigns, and promoting and awareness-raising through posters at these centers or on social media.

Mercialys also seeks to be inclusive to enable everyone to visit its shopping centers with ease. It has adapted its centers so that people with reduced mobility and families with strollers can move easily throughout them (e.g. wide corridors, moving walkways, elevators, nurseries). To continue this momentum, Mercialys is supporting the Autisme France association by introducing a quiet hour in some of its centers.

To combine the center's activities with CSR action, Mercialys also organizes solidarity events such as clothing drives and yard sales. These are opportunities for customers to bring clothes or toys that they no longer use to be sold by Secours Catholique, the French Red Cross or local associations. These operations combine the fight against waste with solidarity action, contributing to a circular economy. 25% of centers organized such solidarity collections in 2024.

► LOCAL PUBLIC LIFE

	Objective 2030	2024	2023	2022	2021	2020
Share of assets that hosted an association	100%	96.2%	96.2%	96.3%	96.9%	94.3%

In total, these spaces allocated free of charge represent the equivalent of Euro 181,000 in rental income granted by Mercialys. Combined with the time spent on organization, donations,

partnerships and sponsorship, over Euro 219,000 has been allocated to non-profit associations.

2.5 For our talents

Mercialys firmly believes that strong ethics, combined with strategic, inclusive and dynamic talent management, are sources of wealth and performance for itself and for its stakeholders.

The Company, as a responsible employer, has been committed for several years to an approach based on four pillars:

- maintaining a very high level of ethics;
- promoting diversity and benefiting from inclusion;
- developing skills and enhancing individual potential;
- retaining talent and boosting employee engagement.

02

2.5.1 An employer committed to maintaining a very high level of ethics

Clearly-defined business ethics commitments and procedures

Mercialys' commitment to this approach is reflected in its employees' strong involvement in ethics and regulatory compliance. This approach is overseen by the Ethics and Compliance Director, who is also the Company's Ethics Officer. She reports directly to the Deputy Chief Executive Officer.

In terms of ethics and compliance, the Company's objective is to reduce its exposure to the risks associated with non-compliance with regulations and thereby contribute to strengthening its reputation and ability to attract and retain employees.

In terms of compliance, Mercialys has structured operational and financial control processes to ensure that all laws and regulations relating to its business are complied with. They apply to the various decision-making chains giving rise to the Company's engagement with its various internal and external stakeholders. This approach contributes to the mitigation of the Company's risks, as described in chapter 5 of this Universal Registration Document. In addition to the control procedures, the compliance approach at Mercialys is deeply linked to the concept of ethics, and is regularly explained and reminded to all employees.

The Mercialys Code of Ethics and Code of Conduct reiterates the need to respect the major international fundamental principles, legislation and the environment. This document also formalizes the commitments made and the resulting rules of behavior in all of the Company's business lines and for all employees.

This charter reiterates that the Company operates exclusively in mainland France and Reunion Island, and that all of its employees work in France, a country that has ratified the eight fundamental conventions of the International Labor Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor.

Mercialys strives to scrupulously comply with these conventions and all ethical regulations applicable to the business world.

Moreover, Mercialys has been a signatory to the UN Global Compact since 2018. This commitment demonstrates its will to respect the ten universal principles relating to human rights, international labor standards, environmental protection and the fight against corruption, and to ensure that its suppliers and subcontractors do likewise.

Mercialys has introduced a Code of Ethics and a Code of Conduct that its employees undertake to respect and uphold in the performance of their duties, for the smooth running of the business.

The charter addresses the following topics:

- respect for the environment and the measures implemented to reduce the Company's environmental footprint;
- prevention of conflicts of interests;
- fight against money laundering and financing of terrorism;
- fight against corruption;
- the duty of care;
- the oversight of lobbying practices, which is set out in charter dedicated to responsible lobbying;
- inside information and prevention of insider trading;
- non-financing of political life;
- protection of employees' health and safety;
- prevention of discriminatory actions and the right to union representation;
- the whistleblowing procedure.

This charter is given to all new employees joining the Company. It is also available on Mercialys' intranet and website⁽¹⁾, in French and English.

Although Mercialys is not subject to certain provisions of the "Sapin II" Law⁽²⁾, the Company is committed to controlling the risks governed by this law. Mercialys deals with the risk of corruption in terms of not only compliance with the ethical rules that the Company wants all employees to respect, but also as an operational and financial hazard. As such, the Company conducts continuous checks and dialogue with its various departments.

The challenge is not only to deal with significant financial risks, but to identify behavior to be avoided. The scope of controls carried out by Mercialys to prevent corruption concerns the activities managed on its own behalf, subcontracted activities, as well as the activities managed on behalf of its partners. The aspects of passive and active corruption are addressed by the control procedures put in place.

(1) The Code of Ethics and Code of Conduct are available on the Company's website: <https://www.mercialys.com/strategy-governance/commitments/code-of-ethics>.

(2) Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy.

Specific approaches and procedures to ensure all aspects of the Company's compliance policy are applied

As Mercialis is a listed company, compliance with stock market regulations is an important issue for all employees. In this respect, a regularly updated Stock Market Code of Ethics is published on the Company's Intranet site, outlining the regulations applicable to executives, directors, members of the Management Committees, persons closely related to them, insiders and more generally to any other person concerned.

A procedure for the protection of whistleblowers is also in place. Employees are regularly reminded of this procedure, which is also clearly displayed in Mercialis' head offices, including the measures to improve this protection put in place by the Law of March 21, 2022. It guarantees confidentiality, as required by law, and allows whistleblowers to contact the Ethics Officer directly by telephone or email. The whistleblower is informed in writing of the receipt of their report within seven days. No reports were made via this system in 2024. Employees are also free to ask the Ethics Officer about any issues that they may wish to raise.

Furthermore, with a view to maintaining ethical, well-balanced business relations with retailers, Mercialis has signed the NEGO4GOOD Charter. This charter contains the four fundamental principles of ethical and responsible negotiation.

Responsible lobbying guidelines were also drawn up in 2020. The Director of Operations and External Relations is responsible for lobbying activities and ensures that the influencing strategy does not generate conflicts of interests. In 2024, Mercialis updated this charter in order to align it with its climate commitments (for more information, see Chapter 5, § 5.1.2, p. 305).

In 2024, Mercialis declared two interest representatives to the HATVP ⁽¹⁾ at national level. A register of external persons met and the reason for the meetings has been put in place and is regularly updated. The procedure in place takes into consideration the extension of the regulations to actions carried out at local level, applicable since July 1, 2022.

In order to ensure that the Company's ethics policy is properly understood, Mercialis regularly provides training to its employees on this subject. In 2024, the Company decided to go further by providing employees with three ethics training courses: the first was dedicated to the KYC (Know Your Customer) process, the second focused on the General Data Protection Regulation (GDPR) and the last notably addressed conflicts of interest, corruption prevention and the whistleblowing system. Mercialis also tested its employees' knowledge at the end of these sessions. The average score obtained in the quizzes was 17/20.

ETHICS TRAINING FOR EMPLOYEES

	2024	2023	2022	2021	2020
Percentage of employees trained in ethics	100%	96.4%	94.6%	97.1%	96.9%

In 2024, Mercialis achieved its objective: 100% of the Company's employees were trained in ethics.

Since 2022, employees sign an annual declaration on the existence or absence of conflicts of interest, in addition to the declaration signed when they join the Company.

Continuation of solidarity actions and partnerships

The Company's ethical commitments are not limited to its policies and processes: they also extend to numerous solidarity initiatives.

Solidarity, and the partnerships arising therefrom, are an essential pillar of Mercialis' culture. In 2024, Mercialis renewed its non-profit partnership to promote the professional integration of young people and equal opportunities, with the Article 1 association. This association offers young students personalized educational support from a professional mentor, in order to help them through their integration and professional success, and in particular to find their first job.

In 2024, Mercialis also distributed a share of the apprenticeship tax to Article 1, as well as to Telemaque, a non-profit that works to promote equal opportunities in education by supporting young people from low-income backgrounds from middle school onwards.

In 2024, Mercialis supported the École Henri IV endowment fund, which aims to promote the inclusion of students from modest backgrounds through the financing of scholarships, English internships, cultural activities and digital media.

Mercialis also supports the commitment of its employees to charity work, confident that this type of initiative is likely to promote employee involvement in civil society. This commitment is reflected in its participation in charitable community and sporting events, which the Company supports, such as the "Course de la Jonquille contre le Cancer" charity run held in March 2024. 52 employees took part in the challenge to raise money for the Institut Curie and cancer research. Another such example is the "Foulées de l'Immobilier" race which took place over 10 days in June 2024. In the same spirit, Mercialis employees have the opportunity to show solidarity by donating days of leave to colleagues with a relative (ascendant or descendant) whose health condition requires them to be available for significant periods of time. They can also donate some of the meal vouchers provided by the Company to support work to combat malnutrition and/or help students in difficulty.

(1) The French authority for transparency in public life.

2.5.2 An employer committed to the diversity of its employees

Mercialys firmly believes that the diversity of its employees is a driver of collective performance, creating a positive dynamic for all staff.

French regulations prohibit companies from collecting or processing personal data revealing racial or ethnic origins, philosophical or religious opinions or relating to the sexual orientation of employees. As such, companies cannot take these elements into account when developing workforce recruitment or monitoring policies. For Mercialys, as a listed company in France, the concept of diversity is based on non-discrimination, disability and gender equality.

In this context, Mercialys strives to systematically endorse and implement a talent management policy that promotes the diversity of its employees' profiles and their equal treatment. It promotes management that is attentive to differences, thus strengthening team cohesion, fluidity of dialogue and the emergence of innovative ideas, so as to benefit economic performance.

A proactive policy and positive results in terms of gender equality

Mercialys is committed to ensuring professional equality between men and women in terms of compensation, training and access to promotions.

This commitment is reflected in company agreements and the signing of several charters:

- the agreement signed with employee representatives on April 1, 2020 on professional equality between women and men and quality of life at work. This agreement includes five areas of action: effective compensation, recruitment, training, coordination between personal and professional life and raising awareness of the fight against sexism;
- since 2018, Mercialys has been a signatory of the Diversity in Business charter, the content of which goes beyond the legal framework for combating discrimination. The Company is committed to preventing discrimination for any reason, and in particular not to make any distinction between employees based on age, gender, social, cultural, ethnic, racial or national origin, religious or political opinions, trade union activities, family situation, sexual orientation, health or disability;
- in December 2021, Mercialys adhered to the commitment charter drawn up by the *Cercle des Femmes de l'Immobilier* in favor of professional female-male parity and equality. By signing this charter, Mercialys is committed to promoting gender equality at the heart of its organization and governance, guaranteeing equal pay, encouraging the promotion of female talent and giving them fair access to decision-making structures.

At the same time, Mercialys applies its commitments on a daily basis, namely to:

- promote the representation of diversity at all levels of responsibility, and particularly within its management bodies, whether in the composition of the Board of Directors or the Executive Committee;
- promote the enforcement of the principle of non-discrimination in all its forms in all actions by Management and in all Company decisions, particularly within the various Human Resources management processes;
- communicate its commitment to its employees, particularly when onboarding new employees, in order to encourage them to also adopt this approach.

The fight against all forms of discrimination is at the heart of Mercialys' Human Resources policy, from the hiring process throughout the entire career of employees, targeting in particular the 26 criteria defined by law concerning origin, gender, sexual orientation, gender identity, age, pregnancy, real or assumed belonging to an ethnic group, etc.

An annual training course, mandatory since 2018 for all teams, on the fight against all forms of discrimination (origin, disability, age, gender, religion, sexual orientation, physical appearance) was provided in 2024, attended by 100% of active employees.

Similarly, Mercialys' objective is for 100% of managers to be made aware of the positive impact of diversity among employees and the importance of non-discrimination.

Employees have multiple points of contact within Mercialys to report any issue that may be related to discrimination, to their line manager, the Human Resources or compliance departments, and lastly, the specific procedure to protect whistleblowers. It should be noted in this respect that no discrimination-related complaints were reported to the Ethics Officer or the Human Resources Department in 2023 or 2024.

Balanced recruitment and workforce and promoting a long-term commitment

56 permanent, fixed contract and work-study hires were finalized in 2024, of which 37 were women and 19 men.

Mercialys continued to invest in supporting young people by recruiting 6 work-study students during 2024.

Mercialys promotes sustainable employment by favoring permanent contracts rather than short-term contracts, thus demonstrating its commitment to professional stability and talent retention.

► BREAKDOWN OF OWN WORKERS BY TYPE OF EMPLOYMENT CONTRACT

	2024		2023		2022		2021		2020	
Staff with permanent employment contracts (CDI)	155	88%	145	86%	144	86%	122	89%	109	84%
Staff with fixed-term employment contracts (CDD)	22	12%	23	14%	24	14%	15	11%	20	16%
TOTAL WORKFORCE	177	100%	168	100%	168	100%	137	100%	129	100%

As at December 31, 2024, 59% of Mercialys' own workers were women.

The Company's policy has made it possible to improve the balance between men and women, for all categories of employees within the Company.

► **BREAKDOWN OF OWN WORKERS BY GENDER**

	2024		2023		2022		2021		2020	
Female managers	65	50%	58	46%	59	48%	48	47%	41	45%
Male managers	65	50%	67	54%	63	52%	55	53%	50	55%
Female supervisors	26	90%	23	92%	25	96%	32	94%	21	88%
Male supervisors	3	10%	2	8%	1	4%	2	6%	3	12%
Female employees	13	72%	14	78%	18	90%	0	0%	12	86%
Male employees	5	28%	4	22%	2	10%	0	0%	2	14%
TOTAL WOMEN	104	59%	95	57%	102	61%	80	58%	74	57%
TOTAL MEN	73	41%	73	43%	66	39%	57	42%	55	43%

Gender equality at the heart of Mercialys' compensation policy

Mercialys is committed to making professional gender equality effective in terms of compensation, training and access to promotions, considering that this is a major area for implementing gender equality within the Company. More specifically:

- the Mandatory Annual Negotiation (NAO) agreement focused on the lowest salaries and therefore the female workforce at supervisor level, via a higher general increase proportion for this level;
- in order to guarantee a change in compensation that does not penalize the Company's female employees, the average wage increase provided for by collective agreements is automatically applied to the wages of women during their maternity leave. It should be noted that a system is also in place to ensure that employees on paternity leave are not disadvantaged;
- the duration of maternity or paternity leave does not impact the calculation of variable compensation;
- during maternity and paternity leave, Mercialys makes up the entire wage differential not covered by Social Security;

- for employees on paternity and childcare leave, Mercialys has maintained the benefit of three additional paid calendar days compared to the legal number of days, even though the legal number of days of paternity leave was increased from 25 to 28 days in 2021. This means the number of days granted by Mercialys is now 31 days. 100% of beneficiaries took the entire paternity leave.

As an illustration of the effectiveness of this policy, Mercialys has recorded very good performance in terms of gender equality, as measured by the gender equality index.

Since 2019, French companies have had to gradually calculate and publish an index relating to gender equality as determined by the Ministry of Labor, Employment and Integration. Designed as a tool to put an end to professional inequalities, this index measures the gaps in pay and status between women and men in companies. If the result is less than 85 points out of 100, they must implement corrective measures that will enable them to reach at least this threshold within three years. Although not subject to this requirement until 2022, Mercialys nevertheless was keen to adopt this approach and has applied the methodology defined by the public authorities since 2019.

The national average score on the gender equality index, published on March 8, 2024 by the Minister of Labor, was 88. This year, Mercialys achieved the much higher score of 94/100.

	2024		2023		2022		2021		2020	
Equality index (/100)	94		93		87		92		96	

More specifically, Mercialys obtained the maximum scores for equality in the highest pay grades and the individual increases applied, as well as increases for women who were on maternity leave in 2024.

Mercialys' objective is that its ranking according to this index should be maintained at a high level over the entire period from 2020 to 2030.

A strong desire for diversity in governing bodies

Mercialys implements an ambitious policy in terms of diversity in the management of its teams and in its management bodies.

This policy aims to maintain the highest standards in terms of balanced representation of women and men, both in terms of governance and in the operational management of the Company. It is illustrated by the gender balance prevailing within the Company's Executive Committee and Board of Directors. In addition, the Chairmanships of the three specialized committees assisting the Board of Directors (Strategy and Transformation Committee, Audit, Risks and Sustainable Development Committee, and Appointments, Compensation and Governance Committee) are also chaired by women (see Chapter 4, § 4.1.5, p. 244 *et seq.*).

	2024		2023		2022		2021		2020	
Women on the Executive Committee*	3	50%	8	57%	8	53%	7	50%	8	50%
Women on the Board of Directors	5	56%	5	56%	5	56%	5	50%	5	50%

* The figures for 2020 to 2023 correspond to the Management Committee. For more information, see the Integrated report on p. 30.

A balanced intergenerational distribution

In addition to the specific aspects of gender equality described above, Mercialis pays particular attention to the diversity of its workforce.

This results in a balanced intergenerational distribution. At the end of 2024, 28% of employees were under the age of 30, 57% of own workers were experienced employees aged between 30 and 50, and 15% of employees were aged over 50.

	2024		2023		2022		2021		2020		2019	
Workforce under 30	50	28%	50	30%	51	30%	41	30%	42	33%	37	33%
Workforce aged between 30 and 50 years (inclusive)	101	57%	82	49%	82	49%	68	50%	67	52%	54	49%
Workforce over 50	26	15%	36	21%	35	21%	28	20%	20	16%	20	18%

14 young people under the age of 26 were recruited in 2024: 43% of them are work-study students, reflecting an active dynamic in terms of professional integration.

In addition, 3 of our work-study students were recruited on fixed-term or permanent contracts in 2024 at the end of their work-study contracts, equal to more than 12% of work-study students during the year.

Lastly, 3 new seniors (aged 50 and over) were hired in 2024.

Workers with disabilities

The fight against discrimination also involves actions renewed each year to promote the employment of workers with disabilities. Mercialis' policy in this respect is based on two main priorities.

In 2024, 4 employees left the company on retirement, versus 1 in 2023 and 2 in 2022. This increase in retirements partly explains the decrease in the number of employees aged over 50, reflecting a generational renewal of the workforce.

In 2024, the average age of Mercialis employees was 37.5 years.

On the one hand, the development of partnerships to welcome interns or young graduates with disabilities. In 2024, Mercialis renewed its partnership in favor of employment for people with disabilities with the ARPEJEH non-profit, which aims to promote the training, qualification and employment of young people with disabilities. A share of the apprenticeship tax was also paid to ARPEJEH in 2024.

At the same time, Mercialis is raising service provider awareness of recruitment to promote the hiring of people with disabilities.

Furthermore, Mercialis contributes indirectly to the employment of people with disabilities by calling upon companies in the protected sector, in particular for the provision of services provided at its head office and in its centers.

2.5.3 Developing skills and enhancing individual potential

Mercialis has continued to strengthen its position over recent years through the development of professional skills and a proactive employee training policy.

Broadening of professional skills

Between 2019 and 2022, Mercialis pursued a policy of bringing back in-house functions historically outsourced to third parties by investing in the development of its teams' know-how, through internal employee transfers and targeted external recruitment.

2024 saw 6 people transfer or be promoted internally and the Company recruited 45 people on permanent contracts (2 of which were recruited at the end of their work-study contracts).

At the same time, as part of an approach aimed at strengthening skills development and enhancing career paths, the roles of 8 center assistants were enhanced in 2024. This change was accompanied by a revision of their job titles, thus reflecting their expanded responsibilities and their increase in skills. These adjustments are part of an overall policy of employee support, prioritizing their professional development and their commitment to the Company.

A proactive training policy

Employee training is a vital tool for ensuring that the Company is agile and able to adjust quickly to changes in its sectors. It is also a driver of employee satisfaction, fulfillment and loyalty.

Mercialis' training policy is structured around two areas:

- development of employee skills and knowledge;
- support for employees during the course of their career or profession.

In order to assess their needs, employees are given the opportunity to express their training requests during their annual performance and professional development review. Training, whether diploma-based or otherwise, can also be formulated on a case-by-case basis by managers according to the needs identified for their employees, to ensure that they have the level of skills required should their current position change or for a planned future role.

In 2020, Mercialis set up a digital platform through which all employees have easy access to a wide range of training courses and can thus choose the one they need.

Employees, while benefiting from the support of their managers, thus become participants in their training, which can take different forms:

- face-to-face training focused on the business lines (real estate finance, commercial negotiations, etc.);
- more general face-to-face training (communication, management, etc.);
- e-learning, distance learning, or remote training in the form of MOOC or webinars.

Internal training capitalizing on the expertise developed within the Company and promoting experience sharing is also encouraged.

In 2024, 100% of employees attended one or more training sessions.

	2024	2023	2022	2021	2020	2019
Share of employees trained	100%	100%	100%	100%	100%	99%

A focus on managerial skills

Mercialys' management team is heavily involved in all organizational development projects, from design to implementation.

Mercialys continued to develop the managerial skills of its senior staff in 2024, to strengthen its collective dynamic, the organization's ability to work collaboratively and make decisions at the right collaborative level.

In this context, following the 360° assessment carried out in 2023 on its main employees with management responsibility, Mercialys organized managerial development workshops for 12 managers. These workshops involved work on the appropriation of reciprocal objectives, managerial positioning, as well as the quality of relationships, helping to strengthen the collective dynamic.

2.5.4 Retaining talent and promoting employee engagement

Mercialys is confident that employee engagement has a decisive impact on the Company's performance, in the short and medium term, by bringing the teams together around common values.

To promote this commitment, Mercialys has put in place a range of competitive advantages based on financial and non-financial valuation factors, as well as measures that contribute to a high level of quality of life at work.

In 2024, Mercialys once again conducted the Great Place to Work survey, designed to assess the employee experience through five key dimensions: credibility, respect, fairness, pride and conviviality. If the average of positive responses to the 60 survey questions exceeds 65/100 (Trust Index®), the company obtains the Great Place to Work certification, testifying to the quality of its working environment.

For the third consecutive survey, Mercialys was once again certified, with a Trust Index® score of 73/100, i.e. 18 points higher than the national average for companies of the same size. Mercialys also obtained an overall perception score of 74/100, reflecting employees' responses to the key question: "Overall, I can say that life is good at Mercialys", testifying to the quality of its working environment and the engagement of its employees.

An attractive compensation policy

In order to develop its attractiveness and retain its employees, Mercialys implements an incentive-based compensation policy in line with the market in which it operates. To this end, the Company regularly participates in sector-based compensation surveys.

Recognition of individual performance

All Mercialys employees, with the exception of work-study students, receive variable compensation equal to between 4% and 30% of their annual fixed salary. This variable component is based on the achievement of specific individual objectives set jointly at the beginning of the year by employees and their managers, assessed at the beginning of the following year.

For 40% of this variable compensation, cross-functional objectives relating to the implementation of the CSR strategy are defined for each employee.

An internal platform set up in-house in 2021 makes it possible to digitize, facilitate and promote fluid exchanges between employees and their managers throughout the year, in relation to the defined objectives.

Recognition of collective performance

Mercialys places just as much emphasis on collective performance and in 2024 introduced two important levers.

The NAO agreement signed in March 2024 provides for a value-sharing bonus of Euro 1,000 for all employees on permanent and fixed-term contracts with an annual fixed salary of below Euro 80,000, and of Euro 100 for all work-study students.

The profit-sharing agreement signed in 2023 enabled employees to receive a portion of the profit-sharing reserve based on the 2023 results, paid in 2024. Euro 524,209 was paid in 2024 from the profit-sharing reserve.

These payments can be made into the Company Savings Plan (PEE) set up in 2019, with the Company matching the contribution. Corporate officers do not benefit from this scheme.

Maintaining the distribution of bonus shares

In order to involve all Mercialys employees, as shareholders, in the creation and sharing of value, employee shareholding plans are regularly offered.

In 2024, 167 employees were eligible for bonus share plans, resulting in the distribution of 180,798 shares.

In 2023, this figure was 170 employees for 198,740 shares distributed and in 2022, 149 employees were eligible.

	2024	2023	2022	2021	2020
Number of shares distributed	180,798	198,740	193,937	155,986	188,433

Sustained social dialogue

An agreement to set up an Economic and Social Unit has led to the establishment of a joint Economic and Social Committee for all Mercialys entities.

In addition, Management signed 8 agreements in 2024:

- an agreement on the budget for social and cultural activities;
- an agreement on working time;
- an agreement on retirement benefits;
- an agreement on insurance;
- an agreement on life insurance;
- an agreement on the CET (time-saving account);
- a mandatory annual negotiation (NAO) agreement covering employee benefits, working conditions and compensation for Mercialys employees;
- an agreement on the implementation of a value-sharing bonus.

A high-quality working environment

Mercialys is convinced that the quality of the working environment makes a positive contribution to the well-being and commitment of its employees, thus promoting increased collective efficiency.

Thus, pleasant, inclusive premises that encourage comfort and concentration, investments in IT equipment and the automation of tasks with low added value, cross-functional projects promoting team cohesion, events and celebrations help to maintain a high level of engagement.

A Working from Home Charter renewed each year

For Mercialys, working from home is an integral part of Quality of Life and Working Conditions, as well as being beneficial from a CSR point of view.

A working from home charter has been in place since February 2019 and gives Mercialys employees the option to work from home up to two days per week, in accordance with terms and conditions that maintain general cohesion within the Company.

A right to disconnect allowing a fair balance between professional and personal life

In order to protect the work-life balance of its employees, Mercialys has decided, in addition to its legal obligation, to develop a charter on the right to disconnect. The purpose of this charter is to present the recommendations applicable to all employees in order to ensure the effectiveness of their right to disconnect as well as the procedures under which this right is guaranteed.

Mercialys thus reaffirms the importance of the proper use of IT tools with a view to respecting rest periods and holidays and the importance of a good work/life balance.

An ongoing search for balance promoting low rates of absenteeism and limited turnover

By caring for the health and well-being of its employees and ensuring they have a good work-life balance, Mercialys was able to avoid workplace accidents in 2024, and has also maintained a low level of absenteeism and low staff turnover.

Over the course of the year, Mercialys recorded no fatal workplace accidents and no workplace accident with at least one day off work.

	2024	2023	2022	2021	2020
Number of fatal accidents	0	0	0	0	0
Number of road accidents	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0
Number of workplace accidents resulting in lost time of at least one day	0	0	0	1	0
Absenteeism rate	1.8%	1.5%	2.4%	1.2%	3.5%

Thanks to the policies implemented, Mercialys has fulfilled employees who are more committed to their work and to customer satisfaction.

In the Great Place to Work 2024 survey, the rate of positive responses to the question "Overall, I can say that Mercialys is a really good place to work" was 74%, testifying to the strong

commitment from employees and the quality of their working environment.

This resulted in an absenteeism rate of 1.8% in 2024, versus 1.5% in 2023, reflecting a limited change that remains generally stable and under control.

	2024	2023	2022	2021	2020
Overall Turnover	24.1%	18.6%	16.4%	15.8%	13.9%
Net turnover	12.7%	13.1%	8.2%	11.4%	12.9%

Total turnover includes all departures recorded during the period (regardless of their reason, including the end of a probationary period). It allows for the assessment of workforce renewal. Net

turnover excludes the end of probationary periods, deaths and retirements. It better reflects the organizational stability and the ability of the Company to retain its employees.

Mercialys has already achieved almost all of the objectives it set itself in 2020 as part of the 2020-2030 plan, in terms of employee loyalty and engagement. The objectives were as follows:

- maintain an employee satisfaction rate of at least 70% on the criteria relating to the working environment and material conditions (so-called “attention” criteria);
- guarantee the strict application of the charter on the right to disconnect for all employees;
- implement a teleworking system with the highest standards;
- maintain a favorable framework for parenthood and leave policy;
- the Company to remain on the list of “Good Place to Work” companies, i.e. a positive score on the overall perception of the Company of at least 65%;
- exceed a satisfaction rate of 70% on the 5 criteria relating to respect, fairness, conviviality, pride in belonging to the Company, and a feeling of trust among employees;
- systematically include an individual CSR objective in the annual roadmaps.

Appendices

1. European Taxonomy Regulation

The European Taxonomy Regulation (EU) 2020/852 of June 18, 2020 on “the establishment of a framework to facilitate sustainable investment,” known as the EU Taxonomy, aims to define a common framework for the classification of environmentally sustainable activities. Its purpose is to drive investments towards activities contributing to the environmental transition to achieve the objectives defined in the European Green Deal.

Due to its size, Mercialys is not subject to the regulation, but nevertheless assesses its share of turnover, operating expenses and eligible investments aligned with sustainable activities according to the six objectives of the EU Taxonomy.

Mercialys’ activities correspond to the activity eligible under section 7.7 of the Taxonomy “Acquisition and ownership of buildings.” Indeed, the acquisition, transformation and operation of real estate assets, predominantly shopping centers, constitutes Mercialys’ business as presented in the Company’s business model (see p. 8 *et seq.*). Some of the Company’s capital expenditure (CapEx) is used to transform its assets into aligned assets, and thus make a substantial contribution in respect of Activity 7.3 “Installation, maintenance and repair of energy efficiency equipment.”

The data presented corresponds to that in the financial statements, as published in Chapter 1 of this Universal Registration Document for the entire consolidated scope of the Company, as required by the Directive.

The operating expenses (OPEX) to be considered for the purposes of the taxonomy are restrictive and include only: non-capitalized R&D costs, renovation costs for non-capitalized buildings, short-term leases, maintenance and repair and other direct expenses related to the routine maintenance of property, plant and equipment necessary for their proper functioning. Mercialys’ analysis showed that OPEX as defined by the European taxonomy represent less than 5% of the Company’s total OPEX. They are therefore immaterial and are not presented.

Once the Company’s eligible activities have been identified, to be “sustainable” they must make a substantial contribution to at least one of the following objectives while not causing significant harm to others and respecting minimum social standards:

- CCM: climate change mitigation: helping to stabilize greenhouse gas emissions in line with the Paris Climate Agreement;
- CCA: climate change adaptation: helping to prevent or reduce negative impacts related to the current and future climate;
- WTR: the sustainable use and protection of water and marine resources: ensuring the good condition of bodies of water and preventing the deterioration of bodies of water in good condition;
- CE: the transition to a circular economy;
- PPC: pollution prevention and control;
- BIO: the protection and restoration of biodiversity and ecosystems.

The criteria applicable to Mercialys’ activities are as follows.

► CLIMATE CHANGE MITIGATION AND ADAPTATION ALIGNMENT CRITERIA

Objective	Substantial contribution criterion (Activity 7.7)	Do no significant harm criterion (Activity 7.7)	Analysis of Mercialis' alignment
Climate change mitigation	For buildings constructed before December 31, 2020 EPC A rating or among the top 15 % of assets at national or regional level and With an energy performance measurement and management system	Physical risks related to the climate were identified through an assessment and Measures are taken (or within 5 years) when risks are identified	- Assessment of centers in the top 15% in terms of energy efficiency per sq.m. according to the benchmark defined by Deepki ⁽¹⁾ and/or with an EPC A rating - Use of an energy consumption measurement and analysis tool at all of the Company's sites - In-depth studies of the resilience of each site to climate change
Climate change adaptation	Climate-related physical risks were identified through an assessment and Adaptation solutions were put in place	For buildings constructed before December 31, 2020 EPC A, B or C rating or among the top 30% of assets at national or regional level	- In-depth studies of the resilience of each site to climate change, with an appropriate action plan in the event of a major risk - Assessment of centers in the top 30% in terms of energy efficiency per sq.m. according to the benchmark defined by Deepki ⁽¹⁾ and/or with an EPC rating of C or higher
Objective	Substantial contribution criterion (Activity 7.3)	Do no significant harm criterion (Activity 7.3)	Analysis of Mercialis' alignment
Climate change mitigation	Individual measurement ⁽²⁾ from among: - addition of insulation to existing building envelope components - replacement of windows or doors - installation and replacement of energy-efficient light sources - installation, replacement, maintenance and repair of heating, ventilation and air-conditioning systems - installation of low water consumption kitchen and sanitary water fittings	Compliance with established criteria for construction materials and components related to pollution and the presence of chemicals and Assessment of the materiality of the risk for the individual measures implemented in assets identified as being the most vulnerable to climate change	- Identification of CapEx that falls into one of these categories. The following were carried out in 2024: - Switch to LED lighting in compliance with Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (OJ L 174, 07/01/2011, p. 88) - Replacement of rooftop systems that contain certain refrigerants in compliance with Annexes I and II of Regulation (EC) No. 1005/2009 of the European Parliament and of the Council

At the same time, the Company must guarantee minimum social standards. It must operate within the framework of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (including the ILO Fundamental Conventions). As a signatory of the United Nations Global Compact since 2018, Mercialis is committed to respecting and ensuring that its suppliers and subcontractors respect the ten universal principles relating to human rights, international labor standards, protecting the environment and the fight against corruption. The Company has also formalized its commitments in its Code of Ethics and Code of Conduct, signed by all new employees. This charter reiterates that the Company

operates exclusively in mainland France, Corsica and Reunion Island, and that all of its employees work in France, a country that has ratified the eight fundamental conventions of the International Labour Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor (see p. 98. *et seq.*, and p. 103).

Following these analyses, the share of turnover and capital expenditure (CapEx) eligible for and aligned with the EU Taxonomy are presented in the tables below.

(1) Deepki ESG Index for the retail sector in France, available on the website <https://index-esg.com>.

(2) Compliance with the minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and energy labels for energy efficiency equipment has been verified.

► **TURNOVER OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES**

	Share of Turnover / (Absolute turnover)	
	Aligned	Eligible
Climate change mitigation	42%	98%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity and ecosystems	0%	0%

► **CAPEX ON ENVIRONMENTALLY SUSTAINABLE ACTIVITIES**

	Share of CapEx / (Absolute CapEx)	
	Aligned	Eligible
Climate change mitigation	33%	97%
Climate change adaptation	48%	97%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity and ecosystems	0%	0%

TURNOVER

02

Economic activities	Codes	Turnover (€M)	Share of revenue	Substantial contribution criteria						Criteria for no significant harm (DNSH: Do not significantly harm)						Minimum safeguards	Share of turnover aligned (year N-1)	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Acquisition and ownership of buildings	CCM 77.	76.24	42%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	31%		
Turnover from sustainable activities (aligned) (A.1)		76.24	42%	42%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	31%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes		M	
of which transitional		0	0%	0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes		T	
A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)																			
Acquisition and ownership of buildings	CCM 77.	103.3	56%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Revenue from activities eligible for taxonomy but not environmentally sustainable (A.2)		103.3	56%	56%	%	%	%	%	%										
Turnover from activities eligible for taxonomy (A)		179.5	98%	98%	%	%	%	%	%										
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover from activities not eligible for taxonomy		3.7	2%																
TOTAL		183.3	100%																

CAPEX

Economic activities	Codes	Capital expenditure (€M)	Share of capital expenditure	Substantial contribution criteria						Criteria for no significant harm (DNSH: Do not significantly harm)						Minimum safeguards	Share of capital expenditure aligned (year N-1)	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Acquisition and ownership of buildings	CCM 77. / CCA 77.	14.14	48.4%	Yes	Yes	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	61%		
Installation, maintenance and repair of equipment promoting energy efficiency	CCM 73.	0.37	1.3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%	M	
Capital expenditure related to sustainable activities (aligned)		14.51	49.7%	32.7%	17%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
of which enabling		0.37	1.3%	1.3%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes		M	
of which transitional		0	0%	0%															T
A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)																			
Acquisition and ownership of buildings	CCM 77. / CCA 77.	13.92	47.7%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Capital expenditure for activities eligible for the taxonomy but not environmentally sustainable (A.2)		13.92	47.7%	%	%	%	%	%	%										
Capital expenditure for activities eligible for the taxonomy (A)		28.4	97%	97%	97%	%	%	%	%										
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capital expenditure related to activities not eligible for taxonomy		0.8	3%																
TOTAL (A+B)		29.2	100%																

OPEX

Economic activities	Codes	Absolute operating expenses	Share of capital expenditure	Substantial contribution criteria							Criteria for no significant harm (DNSH: Do not significantly harm)							Minimum safeguards	Share of operating expenses aligned (A.1.) Or eligible (A.2.) With taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																					
A.1. Environmentally sustainable activities (aligned with taxonomy)																					
Activity 1			%																		
Operating expenses for environmentally sustainable activities (A.1)		0	0%																		
of which enabling		0	0%																		
of which transitional		0	0%																		
A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)																					
Operating expenses for activities eligible for taxonomy but not environmentally sustainable (A.2)		0	0%																		
Operating expenses for activities eligible for the taxonomy (A)		0	0%																		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																					
Operating expenses for activities not eligible for taxonomy		0%																			
TOTAL (A+B)		100%																			

2. Other regulations applied on a voluntary basis

Over recent years, several fundamental aspects of corporate life have become the subject of regulations relative to business ethics and corporate responsibility, in the aim of encouraging companies to better incorporate these aspects into their strategic reflection and action plans.

Due to its size, its business segment and/or its exclusively French activities, Mercialis is exempt from a certain number of these regulations. Nevertheless, as a responsible company, Mercialis is voluntarily implementing certain policies, procedures and action plans to address issues that, while not being regulatory prerequisites, are inherent to business ethics.

The Company has voluntarily implemented best practices, although it is not subject to the following regulations:

- **Formerly Article L. 225-102-1 of the French Commercial Code establishing the Statement of Non-Financial Performance (SNFP)**

In Chapter 2 of its Universal Registration Document, Mercialis voluntarily presents the information required under the SNFP. It should be noted that, due to the nature of its activities, Mercialis does not present information regarding tax evasion, actions to promote the nation-army relationship and support involvement in the reserves, nor actions to promote physical and sporting activities and animal well-being. Mercialis operates solely in France, where all its employees are based. Moreover, it is subject to the REIT tax regime specific to listed real estate investment companies, exempting it from corporate tax on income from most of its activities, subject to predetermined conditions.

For further details, please refer to the cross-reference table in Chapter 9, § 9.4.5, p. 413.

- **Article 17 of Law No. 2016-1691 of December 9, 2016 relative to transparency, the fight against corruption and the modernization of economic life (the French Sapin 2 Law)**

All of Mercialis' assets are located in France, a country with a strict legal environment with regards to the fight against corruption. According to the corruption perception index published by Transparency International in 2024, France ranks 25th out of 180 countries. Moreover, Mercialis is a signatory to the United Nations Global Compact, under which it has undertaken to respect and ensure respect for universal principles including those concerning the fight against corruption, throughout its value chain. The real estate sector is considered a high-risk sector in terms of potential corruption. All corporate functions may be affected by this risk. Accordingly, the fight against corruption represents a major focus for Mercialis and is based on the following:

- measuring specific corruption risks *via* a dedicated map compiled by the Ethics and Compliance Director (also Ethics Officer) and the Head of Internal Control. It is prepared following regular discussions with all Mercialis Departments and its main service providers. An analysis and update is performed on a regular basis by the Risks Prevention Committee which is chaired by Mercialis' Chief Executive Officer and reports to the Audit, Risks and Sustainable Development Committee;
- control and assessment procedures at operational and financial levels. These procedures notably include:
 1. the limitation of powers to make commitments on behalf of the Company,
 2. the validation process by several departments of expenditure and transactions with tenants, and

3. the capacity restricted to four persons within Management to make payments on behalf of Mercialis;

- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees legally-required confidentiality (see p. 104);
- a Code of Ethics and Code of Conduct, appended to the Rules of Procedure and describing prohibited conduct, in particular that relating to corruption and influence-peddling. Given to all new employees, it is regularly redistributed and is the subject of an annual training session (see p. 103);
- responsible lobbying guidelines, engaging the Company and its employees (as well as its service providers, if applicable) in any discussions that may be held with public officials (see p. 103 *et seq.*).
- **Law No. 2017-399 of March 27, 2017 relative to parent companies' and contracting companies' duty of care**

In its business activities, Mercialis is committed to responsible purchasing and vigilance with regard to its value chain. This enables the Company to actively involve its stakeholders in its CSR endeavors. It can thus prevent abuses and mitigate risks in related areas such as ethics, human rights, the health and safety of people, and the environment.

The Company is a signatory to the UN Global Compact, under which it has undertaken to comply, and ensure compliance throughout its value chain, with 10 universal principles relating to human rights, the environment, international labor standards and the fight against corruption. Mercialis is also a signatory to the NEGOT4GOOD charter for ethical and responsible business negotiations. Lastly, the Company's Code of Ethics and Code of Conduct cover the subject of the duty of care that the Company has imposed upon itself.

To honor these commitments, Mercialis is working on introducing a vigilance procedure based on the following:

- the precise mapping and monitoring of the nature of the Company's expenses in order to identify and assess the most significant purchasing with regard to its responsibility in terms of human rights, health and safety, ethics and the environment (see p. 98 *et seq.*). An analysis and update is performed on a regular basis by the CSR Department, which reports to the Audit, Risks and Sustainable Development Committee;
- the adoption of measures to prevent and mitigate the risks identified, for example through the inclusion of CSR clauses in service contracts and major calls for tenders such as for property management and the completion of projects and works within shopping centers (see p. 98 *et seq.*), or by reviewing contracts and procedures to ensure compliance with the GDPR (see p. 96);
- the monitoring of these measures and the performance of specific assessments and audits, such as external audits on the safety of each center, including the monitoring of the implementation of any corrective measures and which may go as far as the termination of the contract in the event of non-compliance with these measures (see p. 96), preventive environmental assessments, in addition to regulatory requirements (see p. 96), or audits on the quality of the shopping centers' main services (see p. 100);
- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees confidentiality (see p. 104).

3. Voluntary normative frameworks

Mercialys incorporates nature-related and climate change risk management and opportunities into its corporate strategy. In order to be transparent, the Company aligns its communications with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD).

Mercialys is structured to approach all CSR issues in the same way. As a result, the governance and management aspects of nature and climate-related risks are aligned and presented jointly below.

3.1 Common recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD)

Governance

a) Monitoring of climate change risks and opportunities by the Board of Directors and nature-related dependencies, impacts, risks and opportunities by the Board of Directors

Issues related to climate change and nature are discussed quarterly by the Board of Directors, in particular through the Audit, Risks and Sustainable Development Committee (ARSDC), one of the Board's three specialized committees. The ARSDC assesses the Company's risks and opportunities, including those related to climate change and nature. The CSR Director also presents the progress of the CSR strategy to this committee on an annual basis.

Stéphanie Bensimon, member of the ARSDC, has been appointed responsible for monitoring the CSR policy and all members of this Committee have expertise in CSR. In total, 6 members of the Board of Directors have expertise in CSR.

The Board of Directors has also approved Mercialys' CSR strategy, 4 Fair Impacts for 2030, which contains the objective of contributing to carbon neutrality and is informed at least annually of the achievement of the objectives associated with this CSR strategy. Each year, it also examines the Company's Universal Registration Document, which includes a chapter on CSR in which the risks, opportunities, dependencies and impacts related to nature and the climate, the objectives set in this area, action plans and associated results are presented. This chapter is audited annually by an independent third party responsible for ensuring the accuracy and reliability of the information provided. This audit report is published annually at the end of this chapter.

The Sustainable Investment Committee (SIC) takes CSR aspects into account when examining strategic projects.

The third specialized committee of the Board of Directors, the Appointments, Compensation and Governance Committee (AGCG), prepares the setting of performance criteria related to climate and nature-related issues as part of the compensation of Senior Management.

For more information, see Integrated Report, p. 22 *et seq.*; Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.1.2, p. 82.

b) Management's role in assessing and managing climate-related risks and opportunities as well as nature-related dependencies, impacts, risks and opportunities

The role of the Risks Prevention Committee (RPC) is to identify and assess the Company's risks, as well as to ensure that appropriate measures are put in place to mitigate them. It is co-chaired by the Company's Head of Internal Control and CSR Director. Its other

members include the Chief Executive Officer, the Deputy Chief Executive Officer, the Director of Human Resources and the Ethics and Compliance Director.

The 49 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. This category includes physical and transition risks related to climate change. Each year, the RPC reports on its work to the ARSDC.

The CSR Director reports directly to the Deputy Chief Executive Officer, proof that the integration of CSR issues, including those related to climate and nature, are at the heart of the Company's strategy. The CSR Director updates the Deputy Chief Executive Officer on a weekly basis on the progress of the CSR strategy and the evolution of key performance indicators.

See Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.1.2, p. 82 *et seq.*

c) Human rights policies and engagement activities, as well as Board and Management oversight with respect to indigenous peoples, local communities, relevant stakeholders and other stakeholders, in the organization's assessment of and response to nature-related dependencies, impacts, risks and opportunities (TNFD only)

Mercialys maintains regular dialogue with all of its stakeholders: retailers, shopping center visitors, suppliers and service providers with whom it works, as well as all regional players, both public and non-profit, with which it collaborates, in the same way as the financial community and professional organizations. This dialogue is an opportunity to be part of a process of innovation and continuous improvement.

In 2020, Mercialys conducted an extensive consultation with its stakeholders with a view to updating its materiality matrix drawn up in 2015. Employees, service providers, local authorities, associations, retailers, shopping center customers, etc. were asked by an external firm to assess the importance of 33 CSR issues, including those related to nature and human rights. The issues proposed were identified using a sectoral analysis and participant responses were anonymous. There were more than 900 participants, testifying to the quality of the dialogue maintained by Mercialys with its stakeholders over many years. This consultation led to the identification of Mercialys' material challenges and was used in the development of its 2020-2030 strategy. Mercialys' Senior Management and the Board of Directors were presented with a report on the results.

In addition, during urban development projects, Mercialys communicates with all stakeholders including local residents (local populations that may be affected by these projects), town halls, public development institutions, etc. The Company listens to their expectations and involves in the project development stage.

Mercialys operates exclusively in mainland France, Corsica and Reunion Island. All of its employees and the majority of its value chain are based in France. France is one of the countries that have ratified the eight fundamental conventions of the International Labor Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor. Mercialys strives to scrupulously comply with these conventions as well as all regulations relating to human rights and indigenous populations applicable to the business world.

Moreover, Mercialis has been a signatory to the UN Global Compact since 2018. This commitment demonstrates its will to respect the ten universal principles relating to human rights, international labor standards, environmental protection and the fight against corruption, and to ensure that its suppliers and subcontractors do likewise.

In its Code of Ethics and Code of Conduct, Mercialis sets out these commitments and the rules of conduct that its employees undertake to respect and uphold in the performance of their duties. The Mercialis Code of Ethics and Code of Conduct reiterates the need to respect the major international fundamental principles, legislation and the environment. This charter is given to all new employees joining the Company. It is also posted on Mercialis' intranet and website, in French and English.

In its business activities, Mercialis is committed to responsible purchasing and vigilance with regard to its value chain. This enables it to concretely involve its stakeholders in its CSR approach and to prevent violations on subjects relating in particular to human rights and nature. Mercialis is working on:

- mapping its purchases in order to identify and assess the most significant purchases with regard to, among other things, human rights and nature. An analysis and update is performed on a regular basis by the CSR Department, which reports to the Audit, Risks and Sustainable Development Committee;
- adopting measures to prevent and mitigate identified risks, for example through the inclusion of CSR clauses in major service contracts and tenders, such as the management of green spaces at its shopping centers;
- monitoring these measures and carry out specific audits, such as ecological studies on the quality of the green spaces at each center, including any corrective measures to improve on-site management practices;
- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees anonymity.

No complaints or cases related to nature have been brought to the Company's attention. It has not been involved in any controversies of this kind.

See Chapter 2, § 2.1.1, p. 105 *et seq.*

Risk management

a) Process for identifying and assessing climate-related risks as well as nature-related dependencies, impacts, risks and opportunities in its direct operations (A.i) and its upstream and downstream value chain (A.ii)

The identification of risks is the result of work carried out by the Risks Prevention Committee (co-chaired by the CSR Director) on the basis of interviews with each department head and all employees. The Company's risk matrix is presented and validated by the Audit, Risks and Sustainable Development Committee in order to verify the exhaustive coverage of all risks and to monitor risk management procedures. This iterative methodology is likely to identify new risks, particularly climate-related risks, depending on any operational and regulatory changes as well as changes in the commercial real estate market.

The 52 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. This category includes physical and transition risks related to nature and climate change.

Mercialis reviews the main risks that could have a material impact on its business activities, financial position or results on a quarterly basis.

All risks are assessed according to their impact and probability of occurrence. Probability of occurrence assesses the possibility that a risk will materialize at least once, in the short, medium and/or long term. It is divided into three types of occurrences: improbable, possible, probable.

The impact quantifies possible consequences, either in terms of the Company's financial position (change in operating results or Net Asset Value), or obstacles to the ongoing implementation of the Company's strategy or operations, or its reputation (importance given by stakeholders or media impact). It can be low, moderate, or high.

To support the assessment of CSR risks, Mercialis carries out detailed studies, asset by asset, of the priority physical hazards and transition risks related to climate change that it encounters or will encounter in the future, as well as the vulnerability and resilience of its assets to these hazards.

In addition, stakeholders are regularly consulted and called upon to express their views on the importance of CSR issues for Mercialis, including those related to nature. During the last consultation carried out in 2020, they were also asked about their perception of the Company's maturity on each subject.

See Chapter 2, § 2.1.2, p. 82 *et seq.*; Chapter 5, § 5.2 p. 309 *et seq.*

b) Process for managing climate-related risks and nature-related dependencies, impacts, risks and opportunities

Mercialis decides to mitigate, accept or control the risks identified according to their potential impacts. It prioritizes the management and monitoring of its risks according to their materiality. This is defined on the basis of their impact and probability.

Based on the risk mapping, the ARSDC ensures that Mercialis has structured and relevant resources to manage its activities. The RPC is responsible for identifying and assessing existing procedures, implementing a plan to supplement or optimize risk management and ensuring that these procedures have been correctly applied.

Dedicated action plans are put in place to mitigate and manage risks related to the climate and nature with quantifiable objectives and key performance indicators. Mercialis also aims to capitalize on the opportunities that may arise from climate change and is committed to anticipating market changes.

See Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.2, p. 86 *et seq.*; Chapter 5, § 5.2, p. 309 *et seq.*

c) Integration of processes for identifying, assessing, and managing climate-related and nature-related risks within the Company's overall risk management

Climate risk management is integrated into the Company's decision-making and operational procedures.

Mercialis' Board of Directors is informed of the main features of the risk management and internal control procedures.

The ARSDC is responsible for verifying that Mercialis has structured and relevant resources to identify, detect and prevent risks, anomalies and irregularities in the management of its activities.

Risks related to climate and nature are included in Mercialis' overall risk identification and assessment. They are part of one of the eight risk families identified.

See Chapter 2, § 2.1.2, p. 82 *et seq.*; Chapter 5, § 5.2, p. 309 *et seq.*

3.2 Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

Strategy

a) Climate-related risks and opportunities identified in the short, medium and long term and b) Impact of climate-related risks and opportunities on the Company's activities, strategy and financial planning

- In the short term:
 - **opportunity related to the development of new services:** each purchase has an impact in terms of carbon emissions, partly due to upstream and downstream logistics. Proposing a solution that minimizes this impact in terms of last mile logistics is a climate opportunity in the sense that it could attract new customers to its shopping centers and generate additional revenues.
- In the medium term:
 - **transition risk related to future regulations:** Mercialis is subject to the tightening of new climate-related regulations, especially since the real estate sector is prone to stricter regulations, both for existing buildings and new constructions. They result in an increase in compliance costs and investments.
 - **market transition risk related to changes in consumer behavior:** consumers are increasingly attentive to the environmental and carbon impacts of their consumption. As a retail real estate company, Mercialis would be directly impacted by changes in consumer behavior and/or mobility and would have to adapt its retail and service offerings accordingly in order to maintain its retailers' revenues. The risk related to changes in consumer behavior has also been identified as a priority risk by the Company's RPC;
 - **reputational risk related to the growing concerns of investors and shareholders regarding climate change:** analysts and investors are gradually incorporating sustainability into their investment decisions, and climate change is one of the main issues they have identified. Inadequate actions by companies on climate-related issues or a poor understanding of the expectations of analysts and investors could make it more difficult or take longer to obtain financing, which may be at higher interest rates;
 - **opportunity related to the development of low-carbon goods and services:** customers are increasingly looking for environmentally-certified, energy-efficient and climate change-resistant buildings. Certified, energy-efficient and resilient shopping centers can represent differentiating added value that can make shopping centers more attractive to visitors and tenants. In addition, certification arouses the interest of investors, as illustrated by questionnaires and sustainability ratings which now include certification as a standard criterion and can increase the fair value of assets;

- In the medium/long term:
 - **acute physical risks:** according to IPCC experts, climate change is expected to lead to an increase in the frequency of extreme events, such as storms and floods, as well as an increase in their severity. These events could threaten the safety of shopping centers and visitors. They could eventually force Mercialis to close its shopping centers for a certain period of time in order to carry out appropriate repairs. The Company's assets are mainly exposed to a risk of flooding which can cause a variety of damage to centers, with different levels of severity (structural damage, damage to partitions and screens, damage to tenant goods or property, etc.);
- In the long term:
 - **opportunity related to the use of less carbon-intensive energy:** with the Paris Climate Agreement, many investors have committed to fighting climate change. In addition, with Article 173 of the French Energy Transition Law and the SFDR⁽¹⁾, investors are now required to report on the carbon impact of their portfolio and demonstrate how they are aligning themselves with a low-carbon strategy. A company that is committed to combating climate change is therefore more attractive to investors.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86 *et seq.*

c) Resilience of the Company's strategy, taking into account different climate-related scenarios, including a 2 °C or lower scenario

In order to develop its climate strategy submitted to the SBTi, Mercialis studied three scenarios, over several timeframes (between 5 years and 2050):

- the Business As Usual (BAU) scenario, estimating the change in Mercialis' emissions if its efforts remained at the current level;
- the Sectoral Decarbonization Approach (SDA) scenario of the real estate sector, making it possible to remain below a 2 °C increase (RCP 2.6 scenario of the IPCC Fifth Assessment Report);
- the scenario chosen by Mercialis, which leads to measures to reduce the emissions identified by the Company and which limits the increase in global temperature to Well Below 2°C.

See Chapter 2, § 2.2.1, p. 86 *et seq.*

Metrics and objectives

a) Indicators used to assess climate-related risks and opportunities are in line with the Company's risk management strategy and process

Mercialis uses a wide range of indicators to monitor the progress of its CSR strategy and ensure that climate-related risks and opportunities are effectively mitigated or taken advantage of.

They are presented throughout this chapter, with a 5-year history to demonstrate changes over time.

These include greenhouse gas emissions (scopes 1, 2 and 3), energy consumption, energy consumption per sq.m., the share of renewable energy, the portfolio covered by a Natural Risk Prevention Plan (PPRN), and having been the subject of adaptation work.

See Chapter 2, § 2.2.1, p. 86 *et seq.*; Chapter 2, Appendix 1.3, p. 117 *et seq.*

(1) Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088 on "sustainability-related disclosures in the financial services sector."

b) Scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and associated risks

Greenhouse gas emissions are presented in the table in the appendix on p. 123 *et seq.*, with details of the various scopes and the items comprising them.

The Company publishes all of its scopes 1, 2 and 3 emissions, as well as performance ratios such as the carbon intensity of its portfolio per sq.m.

See Chapter 2, § 2.2.1, p. 86; Chapter 2, Appendix 4.1 p. 123 *et seq.*

c) Objectives used by the Company to manage climate-related risks and opportunities and performance against these objectives

Mercialys has set objectives for its scopes 1 and 2 and for its broader carbon footprint (scope 3). Mercialis' climate strategy for the 2017 to 2030 period is thus based on the following four objectives:

- reducing scope 1 and 2 emissions by 47% per sq.m., using the market-based method ⁽¹⁾;
- reducing emissions from tenants' energy consumption by 46% per sq.m.;
- reducing emissions from employee travel by 26%;
- reducing emissions related to the treatment of waste produced by the centers by 26% per metric ton of waste produced.

The Science Based Targets initiative approved these objectives in 2019, making Mercialis one of the first real estate companies in the world to have its objectives scientifically approved.

Through its 4 Fair Impacts for 2030 CSR strategy and in the face of the climate emergency, Mercialis is reaffirming its contribution to the fight against climate change by setting itself ambitious objectives, beyond those already established and approved by the SBTi. Indeed, Mercialis aims to contribute to carbon neutrality by 2030, across all its emissions (scopes 1, 2 and 3).

The table on p. 87 presents the Company's performance against these objectives. It is ahead of its objectives for scopes 1 and 2 as well as for waste treatment, and is in line with its roadmap for objectives related to tenant waste and energy consumption.

See Chapter 2, § 2.2, p. 86 *et seq.*

3.3 Taskforce on Nature-related Financial Disclosures (TNFD) recommendations

Strategy

a) Nature-related dependencies, impacts, risks and opportunities identified in the short, medium and long term and b) Impacts of dependencies, impacts, risks and opportunities on the activities, value chain, strategy and financial forecasts of the Company as well as the transition plans or analyses in place

Mercialys has identified its significant dependencies, impacts, risks and opportunities related to nature in several steps, following the LEAP (locate, evaluate, analyze, prepare) approach recommended by the TNFD:

- mapping of Mercialis' interactions with nature, during its direct operations and throughout its value chain;

- mapping of its strategic sites to assess whether they are located near protected areas (< 500 m), or have nationally protected and/or threatened species on site, as classified by the IUCN classification;
- identification of the impacts of Mercialis and its value chain on environmental assets, as well as Mercialis' dependencies on the ecosystem services provided by nature that it needs;
- assessment of the frequency, severity and potential timeframe of Mercialis' impacts and dependencies on the main factors of pressure on nature identified by the international group IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services): change in land use, overuse of resources, climate change, pollution and invasive species. The Company carried out its assessment based on its knowledge of its activities and its value chain, and cross-referenced this with the ENCORE ⁽²⁾ sector-based external assessment to ensure that no topic was overlooked;
- identification of risks and opportunities arising from these dependent relationships and impacts on nature in the short term (< 2 years), medium term (2-5 years) and long term (> 5 years);
- prioritization of these risks and opportunities based on their potential financial impacts for the Company and probability of occurrence.

This mapping of natural risks then feeds into the overall risk mapping of the Company carried out by the RPC.

Mercialys' priority risks and opportunities related to nature are:

- In the short term:
 - **chronic financial risk:** increase in the prices of resources and raw materials for the operation of the Company, or supply issues in the event of the scarcity of natural resources. For example, Mercialis could be significantly financially impacted by the increase in the price of energy, raw materials and technical facilities required to carry out its work.
 - **legal and political transition risk:** increase in investments and compliance costs related to changes in regulations and/or increase in associated taxes (Tertiary Eco-Energy Decree, F-Gas regulations, ICPE, the 7 flows decree, zero net artificialization, etc.).
- In the medium term:
 - **resource efficiency opportunity:** owning and operating a building that is efficient in terms of insulation and thermal and sound regulation (for instance, through the use of green walls or roofs) helps to reduce operating costs and reduce exposure to fluctuations in the price of natural resources, and increase the value of these assets.
- In the medium/long term:
 - **resilience opportunity:** by integrating adaptation measures into the design of buildings or in the event of extension/renovation, Mercialis could operate a more resilient portfolio. In the event of a natural disaster (e.g. flooding) or the occurrence of a chronic physical risk (e.g. heat island), its portfolio would be less impacted and degraded.

(1) Market-based: method used to calculate CO₂ from energy consumption, which makes it possible to take into account energy suppliers' emission factors and to highlight the renewable energy purchase.

(2) ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. Mercialis has used the ENCORE materiality analysis of the "real estate activities" process for the upstream part and direct operations. The downstream part has not yet been developed in the tool, so Mercialis' internal assessment alone has been used. The ENCORE tool was developed by the Natural Capital Alliance in partnership with UNEP-WCMC (the World Center for Conservation of Nature, part of the United Nations Environment Program).

- In the long term:
 - **acute physical risks:** the degradation of nature and ecosystems can exacerbate the severity of damage caused by meteorological phenomena such as droughts, floods and heat waves. These include damage to buildings, financial impacts (increase in insurance premiums, financial impact of claims associated with more frequent and more intense exceptional natural events, or the cost of adaptation measures, etc.), and disruption of the business activity of the Company and its tenants.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86; Chapter 2, § 2.2.3, p. 91.

c) Resilience of the Company's strategy, taking into account different scenarios

Mercialys has carried out an assessment of its risks related to heat waves, drought, clay shrinkage and swelling, forest fires, average rise in temperatures, floods/precipitation, storms, marine submersion, coastal erosion, seismic activity, landslides, over different timeframes and scenarios. Mercialis used a 30-year scenario and a 50-year scenario to be adapted to the life of a building, and the IPCC RCP 4.5 and RCP 8.5 scenarios. These scenarios correspond respectively to the implementation of measures to stabilize greenhouse gas emissions, and to the most unfavorable scenario, without a climate policy.

Concerning the risks of water stress, the analysis was carried out to 2030 and 2040 according to the "pessimistic" scenario of the Aqueduct Water Risk Atlas (SSP3 RCP 8.5 scenario).

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86; Chapter 2, § 2.2.3, p. 91.

d) Interactions of the organization with low integrity ecosystems, high importance ecosystems or areas of water stress

Mercialys has mapped its interactions with nature during its direct operations and throughout its value chain. In addition, a map of its strategic sites has been drawn up in order to identify whether they are located near protected areas (ZNIEFF type I and II and Natura 2000 areas). It shows that few sites are concerned, since only 27% of the portfolio is less than 500 m from the nearest protected area and no site is in a protected area.

In addition, it has mapped its strategic centers to assess whether they are located in a water-stressed area, using the Aqueduct Water Risk Atlas. It emerges that Mercialis' sites, being only in France, are not affected by the risks of water stress in the short or medium term.

See Chapter 2, § 2.2.3, p. 91 *et seq.*

Metrics and objectives

a) Indicators used by the organization to assess significant nature-related risks and opportunities in accordance with its risk management strategy and process

In order to monitor the evolution of Mercialis' impact and dependencies on biodiversity, as well as the appropriateness of measures implemented and their effectiveness, the Company uses the indicators constructed taking into account the GRI indicators and IUCN recommendations. The most significant of these are presented throughout this chapter, with a 5-year history, where available, to demonstrate changes over time.

These include measurement indicators (proportion of sites with green spaces, located near protected areas, having identified protected or threatened species, etc.) and one performance indicator per identified factor of pressure on nature identified by international group IPBES: quantity of pesticides used, net artificial surface area, energy and water consumption per sq.m., carbon footprint (see TCFD recommendations), waste recovery rate, percentage of sites that have undertaken work to combat invasive species.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.3, p. 91; Chapter 2, Appendix 4.1, p. 123.

b) Indicators used by the organization to assess and manage dependencies and impacts

In order to monitor changes in Mercialis' impact and dependencies on biodiversity, as well as the appropriateness and effectiveness of the measures implemented, the Company uses indicators developed by taking into account the Global Reporting Initiative (GRI) Indicator Table, the list of fundamental and additional indicators of the TNFD and the recommendations of the IUCN.

Mercialys has defined a relevant key performance indicator for its activity by biodiversity erosion factor:

- changes in the use of land, oceans and freshwater: square meterage artificialized;
- use of resources: energy consumption per sq.m, water consumption per visitor;
- climate change: scopes 1, 2 and 3 carbon footprint;
- pollution: quantity of pesticides used; waste recovery rate;
- invasive species: percentage of centers that have been the subject of operations to combat invasive species.

In addition, the Company monitors measurement and impact indicators.

c) Objectives used by the Company to manage nature-related dependencies, impacts, risks and opportunities and performance against these objectives

Mercialys has committed to several nature-related issues by 2030 in its 4 Fair Impacts for 2030 CSR strategy:

- reducing scope 1 and 2 emissions by 47% per sq.m. between 2017 and 2030, using the market-based method;
- reducing emissions linked to tenants' energy consumption by 46% per sq.m. between 2017 and 2030;
- reducing emissions from employee travel by 26% between 2017 and 2030;
- reducing emissions related to the treatment of waste produced by its centers by 26% per metric ton of waste produced between 2017 and 2030;
- contributing to carbon neutrality;
- zero pesticides used;
- 100% of waste recovered;
- 100% of strategic centers sorting 5 waste streams;
- use of recycled materials in construction products;
- promotion of the reuse of construction materials;
- prioritize densification and reconversion over artificialization.

Annual performance against these objectives is published in chapter 2 of the Mercialis Universal Registration Document.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2, p. 86 *et seq.*

3.4 EPRA governance indicators

To comply with the EPRA sBPR, the table below shows where to find governance information in this Universal Registration Document.

Information	EPRA code	Universal Registration Document consistency
Composition of the Board of Directors	Gov-Board	Chapter 4, § 4.1.1.2, p. 219 to 236
Procedure for selecting and appointing Board members	Gov-Select	Chapter 4, § 4.1.1, p. 218
Procedure for managing conflicts of interests	Gov-Col	Chapter 4, § 4.1.8, p. 252

4. Summary of indicators

4.1 Additional indicators

CSR STRATEGY PRIORITY ISSUES	INDICATOR	SCOPE	EPRA CODE	UNIT	2020	2021	2022	2023	2024	
 For our environment	Energy consumption	○		MWh	47,015	45,675	45,455	36,566	33,986	02
		□		MWh	44,351	41,677	41,866	32,604	30,420	
	Electricity consumption	○	Elec-Abs	MWh	36,724	33,802	34,631	27,998	26,388	
		□	Elec-LfL	MWh	35,352	31,623	32,337	25,702	24,562	
	Gas consumption	○	Fuels-Abs	MWh	8,666	10,092	9,180	6,994	5,467	
		□	Fuels-LfL	MWh	7,374	8,494	8,070	5,759	4,376	
	Urban heat consumption	○	DH&C-Abs	MWh	1,625	1,781	1,644	1,574	2,132	
		□	DH&C-LfL	MWh	1,625	1,561	1,460	1,144	1,482	
	Energy intensity per unit area	○	Energy-Int	kWh/sq.m.	156.8	147.1	148.8	119.3	119.8	
		□	Energy-Int	kWh/sq.m.	157.0	148.5	150.8	117.9	116.9	
	Usage energy intensity	○	Energy-Int	kWh/visitor	0.4	0.4	0.4	0.3	0.3	
		□	Energy-Int	kWh/visitor	0.4	0.4	0.4	0.3	0.3	
	Share of energy consumption from renewable sources	○		%	16.4	55.3	86.5	50.0	58.1	
	Percentage of portfolio with a photovoltaic power plant	○		%	48.9	48.5	50.3	50.8	47.7	
	Scope 1 greenhouse gas emissions, location-based	○	GHG-Dir-Abs	tCO ₂ eq.	1,615	1,893	1,921	1,367	1,059	
		□		tCO ₂ eq.	1,280	1,365	1,558	1,059	812	
	Scope 2 greenhouse gas emissions, location-based	○	GHG-Indir-Abs	tCO ₂ eq.	4,348	4,062	3,931	3,773	3,736	
		□		tCO ₂ eq.	3,982	3,613	3,525	3,364	3,334	
	Scope 2 greenhouse gas emissions, market-based	○	GHG-Indir-Abs	tCO ₂ eq.	4,375	3,413	191	3,923	2,960	
	Scopes 1 & 2 greenhouse gas emissions, location-based	○		tCO ₂ eq.	5,964	5,955	5,852	5,140	4,795	
		□		tCO ₂ eq.	5,262	4,978	5,082	4,423	4,146	
	Scopes 1 & 2 greenhouse gas emissions, market-based	○		tCO ₂ eq.	5,990	5,037	1,386	4,698	3,875	
	Scopes 1 & 2 areal carbon intensity, location-based	○	GHG-Int	kgCO ₂ eq./sq.m.	19.9	19.2	19.2	16.8	16.9	
		□	GHG-Int	kgCO ₂ eq./sq.m.	21.4	20.3	21.0	18.3	18.5	
	Scopes 1 & 2 areal carbon intensity, market-based	○	GHG-Int	kgCO ₂ eq./sq.m.	20.0	16.2	4.5	15.3	13.7	
	Scopes 1 & 2 carbon intensity of use, location-based	○	GHG-Int	gCO ₂ eq./visitor	48.4	54.2	46.8	42.7	39.7	
		□	GHG-Int	gCO ₂ eq./visitor	61.0	65.2	58.1	55.1	50.0	
	Scope 3 greenhouse gas emissions related to purchases	○		tCO ₂ eq.	5,106	4,949	5,680	6,402	7,087	
	Scope 3 greenhouse gas emissions related to work	○		tCO ₂ eq.			1,120	1,585	7,831	
	Scope 3 greenhouse gas emissions relating to the management of operations waste	○		tCO ₂ eq.	1,256	1,224	1,365	1,249	1,122	
	Scope 3 greenhouse gas emissions related to employee travel	○		tCO ₂ eq.	188.7	206.9	248.4	157.7	129.6	

○ Current □ Like-for-Like

CSR STRATEGY PRIORITY ISSUES	INDICATOR	SCOPE	EPRA CODE	UNIT	2020	2021	2022	2023	2024
 For our environment	Scope 3 greenhouse gas emissions related to tenants' energy consumption	○		tCO ₂ eq.	45,545	36,389	36,561	35,724	45,363
	Scope 3 greenhouse gas emissions	○		tCO ₂ eq.	53,652	44,893	44,974	45,119	61,532
	Scope 3 greenhouse gas emissions related to tenants' energy consumption	○		kgCO ₂ eq./sq.m.	62.7	51.0	54.0	52.8	62.4
	Scope 3 greenhouse gas emissions relating to the management of operations waste	○		tCO ₂ eq./metric ton	0.2	0.2	0.2	0.2	0.2
	Greenhouse gas emissions from electricity upstream production	○	GHG-Indir-Abs	tCO ₂ eq.	1,042	1,041	1,045	874	780
	Total quantity of waste	△	Waste-Abs	metric tons	5,945	5,188	6,302	5,759	5,261
		□	Waste-LfL	metric tons	4,339	3,754	4,298	4,135	3,460
	Quantity of non-hazardous industrial waste	△	Waste-Abs	metric tons	4,198	3,532	4,277	3,749	3,349
		□	Waste-LfL	metric tons	3,037	2,565	2,898	2,717	2,131
	Quantity of cardboard	△	Waste-Abs	metric tons	1,536	1,429	1,730	1,634	1,546
		□	Waste-LfL	metric tons	1,192	1,080	1,255	1,150	1,092
	Quantity of plastic	△	Waste-Abs	metric tons	24.7	13.9	19.2	13.0	16.8
		□	Waste-LfL	metric tons	21.2	11.3	15.9	9.2	8.1
	Quantity of bio-waste	△	Waste-Abs	metric tons	84.4	65.4	130.9	133.8	113.1
		□	Waste-LfL	metric tons	63.7	45.3	70.6	97.2	82.7
	Quantity of paper	△	Waste-Abs	metric tons	0.0	1.1	1.1	30.3	2.2
		□	Waste-LfL	metric tons	0.0	1.1	1.1	30.3	2.2
	Quantity of wood	△	Waste-Abs	metric tons	22.0	22.9	48.3	54.4	62.6
		□	Waste-LfL	metric tons	10.0	12.9	29.6	36.7	50.5
	Quantity of glass	△	Waste-Abs	metric tons	14.8	9.1	14.3	32.2	29.7
		□	Waste-LfL	metric tons	3.2	6.4	14.3	32.2	29.7
	Quantity of metal	△	Waste-Abs	metric tons	0.8	3.2	7.3	13.5	11.1
		□	Waste-LfL	metric tons	0.3	2.1	5.3	11.4	8.5
	Quantity of other waste	△	Waste-Abs	metric tons	63.8	111.0	74.5	98.7	130.3
		□	Waste-LfL	metric tons	12.4	29.5	8.1	50.7	55.5
	Waste sorting rate	△		%	29.4	31.9	32.1	34.9	36.3
	Waste recovery rate	△		%	53.7	56.1	64.7	66.2	68.5
	Percentage of recycled waste	△		%	11.5	8.0	8.9	9.7	9.2
	Percentage of composted waste	△		%	0.4	0.4	0.5	0.7	0.1
	Percentage of waste incinerated with energy recovery	△		%	7.0	6.4	5.2	7.5	9.1
	Percentage of waste recovered in other ways	△		%	34.7	41.3	50.1	48.3	50.1
	Total water consumption	△	Water-Abs	m ³	108,488	82,091	108,404	110,468	117,229
		□	Water-LfL	m ³	103,225	77,882	100,033	102,218	105,248
	Areal water intensity	△	Water-Int	m ³ /sq.m.	0.9	0.7	0.8	0.8	0.9
		□	Water-Int	m ³ /sq.m.	0.9	0.7	0.9	0.9	1.0
	Water consumption per visitor	△	Water-Int	L/visitor	1.3	1.1	1.2	1.3	1.5
	Quantity of pesticide used during the year	△		liters	40.0	7.0	5.0	5.0	0

○ Current □ Like-for-Like △ CSR

CSR STRATEGY
PRIORITY ISSUES

INDICATOR

SCOPE

EPRA CODE

UNIT

2020

2021

2022

2023

2024

For our
storesPercentage of BREEAM In-Use certified
strategic centers, by value

Cert-Tot

%

82.7

100.0

100.0

100.0

100

Percentage of BREEAM In-Use certified
strategic centers, by surface area

Cert-Tot

%

83.0

100.0

100.0

100.0

100

Number of BREEAM In-Use certified
strategic centers

Cert-Tot

17

23

23

23

23

Average score of BREEAM In-Use certified
strategic centers in part 2

Cert-Tot

%

80.1

79.5

76.4

72.4

70.7

Percentage of the portfolio that is BREEAM
In-Use certified, by value

Cert-Tot

%

76.7

91.2

89.4

95.1

95.6

Percentage of BREEAM New Construction
certified centers, by value

Cert-Tot

%

8.3

7.9

8.1

8.1

8.1

Number of BREEAM New Construction
certified centers

Cert-Tot

1

1

1

1

1

Percentage of assets covered by a tenant
satisfaction survey

%

94.5

44.1

96.8

97.7

94.4

Percentage of leases signed during the year
comprising an environmental clause

%

95.2

97.8

93.7

100.0

100.0

Percentage of leases with environmental
clause in the portfolio

%

39.0

46.1

46.5

49.5

50.3

Percentage of shopping centers placing
CSR on the agenda of a meeting
with tenants

%

79.7

91.5

72.5

53.5

49.7

Private energy consumption

MWh

96,227

104,299

95,414

99,651

57,326

Water consumption of tenants

m³

162,900

126,826

188,537

148,037

158,657

Share of tenants whose energy
consumptions were collected

%

52.9

66.1

65.0

63.5

54.0

Share of assets covered by a security
audit in the year

H&S-Asset

%

86.8

97.2

97.0

96.7

96.5

Average score on the security audit

H&S-Asset

/100

92

93

94

92

92

Number of convictions related to a health
or safety incident

H&S-Comp

0

0

0

Percentage of shopping centers that
hosted an employment event during
the year

Comty-Eng

%

5.7

19.9

60.1

43.3

69.6

Number of jobs hosted by Mercialis activity

17,423

16,436

16,606

16,509

16,984

Percentage of centers with
a multi-functional space

%

48.9

56.7

57.7

59.5

60.5

Share of assets purchases covered
by CSR clauses

%

75.3

81.9

83.6

87.9

86.6

Share of corporate purchases covered
by CSR clauses

%

25.7

26.7

31.2

32.6

12.4

Percentage of purchases by "local"
shopping centers

%

59.1

79.8

87.1

71.9

Percentage of "local" corporate purchasing

%

99.5

99.2

Average number of transport lines
accessible to one visitor to a shopping
center

4

4

4

4

4

Share of assets located within 500 meters
of a public transport stop

%

100.0

100.0

100.0

100.0

100

Share of assets equipped with charging
stations for electric vehicles

%

49.3

64.2

68.0

75.9

82.8

Percentage of centers having carried out
a CSR action during the year

Comty-Eng

%

94.3

96.9

96.3

96.2

96.2

Socio-economic contribution

Comty-Eng

€K

860.1

592.3

333.0

218.0

268.0

For our
communities

02

CSR STRATEGY
PRIORITY ISSUES

INDICATOR

EPRA CODE

UNIT

2020

2021

2022

2023

2024



For our
talents

Total staff			129	137	168	168	177
Staff with permanent employment contracts (CDI)			109	122	144	145	155
Staff with fixed-term employment contracts (CDD)			20	15	24	23	22
Number of work-study students hosted during the year			9	3	15	37	24
Number of interns hosted during the year			4	2	3	1	3
Temporary staff			9	1	4	1	0
Full-time staff			123	132	160	161	174
Part-time staff			6	5	8	7	3
Total number of hires	Emp-Turnover		44	33	63	51	56
Number of new hires with fixed-term employment contracts (CDD)	Emp-Turnover		16	10	21	22	11
Number of new hires with permanent employment contracts (CDI)	Emp-Turnover		28	23	42	29	45
Number of redundancies	Emp-Turnover		0	0	0	0	0
Number of dismissals for other reasons	Emp-Turnover		4	2	0	2	3
Total number of departures	Emp-Turnover		14	18	22	27	36
Permanent staff turnover	Emp-Turnover	%	13.9	15.8	16.4	18.6	24.1
Average annual increase for employees		%	1.0	0.5	4.0	4.0	2.5
Number of bonus shares distributed			188,433	155,986	193,937	198,740	180,798
Total number of training hours	Emp-Training	hours	741	1,525	854	1,418	2,317
Average number of training hours per employee trained	Emp-Training	hours/employee	5.4	11.2	5.6	8.4	12.6
Number of permanent employees trained	Emp-Training		114	129	133	148	160
Share of employees trained	Emp-Training	%	100.0	100.0	100.0	100.0	100.0
Budget allocated to training	Emp-Training	Euro	122,456	150,000	200,000	140,000	141,964
Number of workers with disabilities	Diversity-Emp		1	0	1	2	1
Total number of women	Diversity-Emp		74	80	102	95	104
Total number of men	Diversity-Emp		55	57	66	73	73
Total number of female managers	Diversity-Emp		41	48	59	58	65
Total number of female employees	Diversity-Emp		12	0	18	14	13
Total number of female supervisors	Diversity-Emp		21	32	25	23	26
Total number of male managers	Diversity-Emp		50	55	63	67	65
Total number of male employees	Diversity-Emp		2	0	2	4	5
Total number of male supervisors	Diversity-Emp		3	2	1	2	3
Number of women on the Executive Committee	Diversity-Emp						3
Number of men on the Executive Committee	Diversity-Emp						3
Number of women on the Board of Directors	Diversity-Emp		5	5	5	5	5
Number of men on the Board of Directors	Diversity-Emp		5	5	4	4	4

CSR STRATEGY
PRIORITY ISSUES

INDICATOR

EPRA CODE

UNIT

2020

2021

2022

2023

2024

For our
talents

Number of women on permanent employment contracts promoted during the year	Diversity-Emp		2	1	1	4	0
Number of women recruited during the year	Diversity-Emp		27	18	41	28	29
Number of women trained during the year	Diversity-Emp		82	81	86	95	107
Average age	years		37.6	38.0	38.7	38.0	38.0
Number of employees under 30	Diversity-Emp		42	41	51	50	50
Number of employees between 30 and 50	Diversity-Emp		67	68	82	82	101
Number of employees over 50	Diversity-Emp		20	28	35	36	26
Gender equality index	Diversity-Pay	/100	96	92	87	93	94
Number of referrals to the Ethics Officer as part of the whistleblowing procedure			0	1	0	0	0
Percentage of employees trained in ethics during the year	%		96.9	97.1	94.6	96.4	100.0
Percentage of employees trained in CSR during the year	%		74.0	74.0	1.3	1.2	42.0
Percentage of employees with an individual CSR objective	%		100.0	100.0	100.0	100.0	100.0
Lobbying expenses	€K		55.0	27.3	132.0	101.2	118.3
Absenteeism rate	H&S-Emp	%	3.5	1.2	2.4	1.5	1.8
Number of fatal accidents	H&S-Emp		0	0	0	0	0
Number of road accidents	H&S-Emp		0	0	0	0	0
Number of workplace accidents	H&S-Emp		0	1	0	0	0
Number of occupational diseases	H&S-Emp		0	0	0	0	0
Frequency rate of workplace accidents	H&S-Emp		0.0	5.3	0.0	0.0	0.0
Severity rate of workplace accidents	H&S-Emp		0.0	0.2	0.0	0.0	0.0
Number of employees teleworking			38	33	112	146	159
Number of people eligible for teleworking			74	73	112	146	159
Number of days donated to caregivers	days		7	0	4	0	0
Percentage of employees covered by a collective agreement	%		100.0	100.0	100.0	100.0	100.0
Number of meetings held with staff representatives			33	30	31	10	13
Percentage of employees who had an annual appraisal interview	Emp-Dev	%	100.0	100.0	100.0	100.0	100.0

02

4.2 Head office indicators

INDICATOR	SCOPE	EPRA CODE	UNIT	2020	2021	2022	2023	2024	CHANGE 2023/2024
Total electricity consumption	○	Elec-Abs	MWh	16.6	35.4	43.1	27.4	25.3	
	□	Elec-LFL	MWh	16.6	35.4	43.1	27.4	25.3	-7.7%
Total energy consumption from district heating or cooling networks	○	DH&C-Abs	MWh	673	160.7	144.7	101.0	190.6	
	□	DH&C-LFL	MWh	673	160.7	144.7	101.0	190.6	+ 88.7%
Total fuel consumption	○	Fuels-Abs	MWh	0.0	0.0	0.0	0.0	0.0	
	□	Fuels-LFL	MWh	0.0	0.0	0.0	0.0	0.0	
Energy intensity of the building		Energy-Int	kWh/sq.m.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Total direct GHG emissions		GHG-Dir-Abs	tCO ₂ eq.	0.00	0.00	0.00	0.00	0.0	
Total indirect GHG emissions		GHG-Indir-Abs	tCO ₂ eq.	11.8	13.8	11.6	13.0	18.7	+ 43.8%
Carbon intensity of the building		GHG-Int	tCO ₂ eq./sq.m.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Total water consumption	○	Water-Abs	m ³	5170	400.9	559.4	819.3	1,152.0	
	□	Water-LFL	m ³	5170	400.9	559.4	819.3	1,152.0	+ 40.6%
Building's water intensity		Water-Int	m ³ /visitor	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Total waste production by type of treatment	○	Waste-Abs	metric tons	0.6	0.3	0.4	3.9	7.4	
			% recycled	100%	100%	100%	9%	14%	
			% buried	0%	0%	0%	91%	86%	
	□	Waste-LFL	metric tons	0.6	0.3	0.4	3.9	7.4	
			% recycled	100%	100%	100%	9%	14%	
			% buried	0%	0%	0%	91%	86%	+ 89.7%

○ Current □ Like-for-Like

5. Methodological note

5.1 Scopes

A. Current scope

The current scope comprises the assets within the CSR scope, excluding acquisitions during the year, in accordance with the CSR reporting guidelines of the FACT (formerly the CNCC).

B. CSR scope

The CSR scope includes assets in the portfolio as at December 31 of year N, excluding isolated units and dismembered assets, i.e. assets that represent less than 1% of the Mercialis portfolio in terms of surface area. The CSR scope therefore consists solely of shopping centers and represents 92% of the current scope. Unless otherwise stated, the information published relates to the CSR scope.

C. Strategic centers

Strategic centers are assets identified by Mercialis as generating added value in the medium term given their size, legal structure and project potential. In 2024, they represented 90% of the current scope.

D. Like-for-Like scope

The like-for-like scope comprises the assets within the current scope, excluding assets that underwent construction representing the creation of Gross Leasable Area (GLA) of more than 20%, in accordance with the CSR reporting guidelines of the FACT (formerly the CNCC). The like-for-like scope is calculated in relation to the year 2017.

5.2 Reporting period

The environmental and footfall indicators are reported over a rolling 12-month period, from October 1 of year N-1 to September 30 of year N. The data entered as "N" therefore correspond to the indicators calculated from October 1 of year N-1 to September 30 of year N inclusive.

Social and societal indicators are reported on a calendar-year basis, from January 1 to December 31 of year N.

Each time a CSR indicator is used as a compensation criterion on an annual calendar basis, it is calculated in accordance with the rules detailed above.

5.3 Coverage rate

For each indicator, the coverage rate is given in terms of fair value, including transfer taxes. The fair value of each asset is based on appraisals conducted for Mercialis.

5.4 Business indicators

A. Surface area of common areas

Common areas are considered to be the center, areas open to the public and heated, ventilated or chilled/cooled areas and offices.

B. Gross Leasable Area (GLA)

The gross leasable areas (used for the calculation of coverage rates in surface area) are those presented in Chapter 1, § 1.3.2.3, p. 73 *et seq.*

C. Footfall

Footfall data comes from the counter systems set up at the shopping centers and are collected daily.

The shopping centers for which counters were installed (full installation or modification of existing equipment) during the reporting period are not included in the usage indicators scope. They are factored in after a full year of operation.

5.5 Environmental indicators

A. Energy consumption

This refers to energy consumption in kWh (final energy) paid for by the property manager and distributed to the common areas as well as the private areas that may be served by shared systems for heating, ventilation and/or air conditioning (connected private areas). The energy produced and consumed on site is also recorded.

B. Greenhouse gas emissions

Greenhouse gas emissions are calculated in accordance with the GHG Protocol.

Scope 1 Greenhouse gas emissions

Emissions related to energy consumption burned on-site for the common areas and connected private areas (particularly gas) and to refrigerant leaks.

Greenhouse gas emissions generated by refrigerant leaks from air conditioning systems are calculated as follows:

Greenhouse gas emissions generated by the refrigerant (kgCO₂eq.) = quantity of refrigerant leak (kg) × refrigerant's GWP⁽¹⁾ (kgCO₂eq./kg)

Scope 2 Greenhouse gas emissions

Emissions related to electricity consumption and urban heat used for the common areas and connected private areas.

Location-based emission factors and Global Warming Potential GWP

The location-based emission factors and GWP used are derived from the most recent version of ADEME's Carbon Base.

Market-based emission factors

The market-based emission factors are derived directly from the different energy suppliers. If the emission factor is not available for year N at the time of the Universal Registration Document's publication, the emission factor for N-1 is used.

In addition, for properties for which information is not provided by the energy supplier, the residual factor calculated by the AIB (Association of Issuing Bodies) is used. For Corsican and Reunionese assets, the location-based emission factor of the Carbon Base is used.

Scope 3 Employee travel

Greenhouse gas emissions related to Mercialis employee travel are reported over a period from January 1 to December 31 of year N.

C. Waste

This is waste produced by retailers and left by visitors in the center's bins.

The sites for which waste management is shared between the hypermarket and the shopping center are not taken into account as part of the waste scope.

(1) Global Warming Potential (GWP): an indicator that measures the cumulative effect of all the substances that aggravate the greenhouse effect.

Quantity

Waste quantities are given by the service provider that collects and handles the treatment of waste on a web platform. For removal in volume, the collected tonnage is estimated based on the number of containers removed and an average volume weight.

For removal by the town, an estimation methodology based on average tonnage by square meter has been devised.

Quantities of unclassified waste (waste that is sorted but rejected for recovery because it is insufficiently sorted) is incorporated into the tonnage of non-hazardous industrial waste.

Outfalls

Information on outfalls is reported by the waste service providers based on European nomenclature codes. A site is excluded from the scope of this indicator if the end-of-life treatment of more than 30% of the waste produced (in metric tons) is unknown.

D. Water consumption

This applies to drinking water consumption in communal areas only. This indicator includes consumption related to:

- the shopping center's sanitation facilities (customer sanitation facilities and those of the shopping center's management);
- cleaning the center (mall, compactors, etc.);
- the watering of green spaces;
- air conditioning systems (cooling towers).

This indicator does not include:

- purely private consumption (shop consumption);
- water consumption related to fire safety (sprinkler tank, etc.).

E. Head office environmental indicators

The environmental indicators related to offices occupied by Mercialis are limited to the surface area occupied in the building (percentage shares).

5.6 Social indicators

A. Training

All types of training, whether face-to-face or e-learning courses, are taken into account for the training indicators. There is no minimum duration used to calculate training hours.

The proportion of employees trained is calculated on the basis of the number of permanent and fixed-term contracts trained in year N divided by the average number of permanent and fixed-term employees in year N, taking into account new arrivals, departures and long absences that may occur during the year.

B. Turnover

Turnover is calculated for staff with permanent employment contracts by dividing the total number of departures of staff with permanent employment contracts by the average staff with permanent employment contracts.

Net turnover excludes the end of probationary periods, deaths and retirements.

C. Absenteeism

The absenteeism rate is calculated based on theoretical working days. It takes into account all days of absence that are not days for parental leave, training hours or days of leave.

D. Gender equality index

The gender equality index, established by the French Ministry of Labor, Employment and Economic Inclusion, is made up of five indicators:

- the gender pay gap;
- differences in the distribution of individual pay rises;

- number of employees receiving a pay rise on their return from maternity leave;
- parity among the 10 highest paid employees.

5.7 Societal indicators

A. Environmental certifications

A shopping center is considered certified for the period if the certificate is issued before December 31 of year N.

B. Green leases

The coverage rate of environmental lease clauses is calculated as a percentage of leases signed during the current year that are eligible for an environmental clause. Exceptional leases of less than one year and amendments to the lease are excluded.

C. Tenant satisfaction

Tenant satisfaction is measured using paper or online questionnaires. To be included in the coverage rate, a shopping center must have used the survey in the last 24 months.

D. Jobs at the portfolio's shopping centers

These jobs include:

- store positions in shopping centers. These jobs were identified specifically from a sample group of Mercialis portfolio of centers. Based on the corresponding areas, employment ratios per square meter, specific to each business sector, were calculated. These ratios make it possible to extrapolate the jobs hosted by the stores of all Mercialis centers;
- indirect jobs with service providers operating at Mercialis' centers. The following activities were taken into account: maintenance, cleaning, insurance and security.

E. Local and responsible purchasing

The percentage of shopping centers with a CSR clause is calculated based on the operating expenses of the centers.

A purchase is considered "local" if it is made:

- in the region or within a radius of 200 km for shopping center purchases;
- in Europe for corporate purchases.

Purchases that do not involve travel by the service provider to the site are excluded from the calculation. These include, for example, Wi-Fi and telephone contracts.

Only purchases representing a cumulative minimum of Euro 10,000 over the reporting period are taken into account in the calculation of these indicators. Indeed, smaller expenses are often not subject to a contract.

F. Socio-economic contribution

The amount allocated to the support of non-profit organizations corresponds to the sum of donations made by the centers and Mercialis, whether financial or in the form of vouchers, the monetary value of the time spent by the teams, and the amount of the rents granted on an ex gratia basis.

G. Responsible retail and services offering

This indicator includes:

- retailers that are sustainable by nature, namely focusing on health, public services, repair and DIY stores, services that facilitate daily life
- retailers with the Responsible Brand label from the Club Génération Responsable (Responsible Generation Club)
- charging stations for electric vehicles

To be included in the scope of this indicator, the center must be equipped with Le Shop and have at least two shops among the retail and service offerings mentioned above or three shops.

6. Opinion of the independent third party

Report by the independent third party on the consolidated statement of non-financial performance

Fiscal year ended on December 31, 2024

To the General Management,

Following the entity's request and in our capacity as independent third party, member of the network of one of the statutory auditors of your company (hereinafter the "Entity"), we present to you our report expressing a limited assurance conclusion on the compliance of the consolidated statement of non-financial performance for the fiscal year ended December 31, 2024 (hereinafter the "Statement"), with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the accuracy of the historical information (observed or extrapolated) provided in accordance with 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), presented in the management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the information we have collected, we have not discovered any significant anomalies that lead us to question the compliance of the consolidated statement of non-financial performance with the applicable regulatory requirements and confirm that the Information, taken as a whole, is presented fairly and in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The Entity's responsibility

It is the responsibility of management to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a

description of the main sustainability risks, a presentation of the policies applied in relation to these risks, as well as the results of these policies, including key performance indicators and, moreover, the information provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);

- prepare the Statement by applying the Entity's Guidelines as mentioned above;
- and implement the internal control that it deems necessary to establish Information that does not contain significant anomalies, whether resulting from fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of historical information (recorded or extrapolated) provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory requirements, in particular the information set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation;
- the accuracy of the information required by Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation");
- the compliance of products and services with the applicable regulations.

Professional standards applied

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, our verification work consisting of our own procedures (Verification Program for the Statement of non-financial performance, dated July 7, 2023), and the professional standards of the National Association of Statutory Auditors relating to this engagement, notably the technical opinion of the National Association of Statutory Auditors, Auditor's Intervention - OTI Intervention - Statement of non-financial performance, and International Standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and the professional Code of Ethics. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of four people and took place between October 2024 and February 2025 over a total period of ten weeks.

We enlisted the assistance of our specialists in sustainable development and corporate social responsibility to support us in carrying out our work. We conducted three interviews with the persons responsible for the preparation of the Statement, representing in particular the CSR and Human Resources departments.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III of the French Commercial Code, as well as respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the reasons for the absence of the information required under paragraph 2 of Article L. 225-102-1 III of the French Commercial Code;
- we verified that the Statement presents the information provided for in Article R. 225-105 II of the French Commercial Code when it is relevant with regard to the main risks;
- we verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, actions and the outcomes thereof, including key performance indicators associated with the main risks;

- we referred to documentary sources and conducted interviews to:
- assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning certain risks (professional equality, employee commitment and satisfaction, ethics and work/life balance), our work was carried out on the consolidating entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities: La Galerie Espaces Fenouillet and La Galerie - Géant Narbonne;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16 the French Commercial Code;
- we obtained an understanding of the internal control and risk management procedures implemented by the Entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in said data,
 - tests of details, using sampling techniques or other methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers between 7% and 9% of the consolidated data selected for these tests (7% of energy consumption, 9% of the surface area of common areas and 9% of fair values);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional guidelines; a higher level of assurance would have required us to carry out more extensive verification work.

Paris-La Défense, March 11, 2025

Independent third party

EY & Associés

Thomas Gault

Partner, Sustainable Development



Appendix 1: the most important information

Social information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Turnover of employees on permanent contracts	Measures to promote diversity and professional equality
Breakdown of the workforce by age and gender	Employee involvement approach in ethics
Share of women on the Management Committee	Development of employee engagement and satisfaction
Share of women on the Board of Directors	Measures to ensure the quality of life at work and the health and safety of employees
Professional Gender Equality Index	
Wage equity ratios	
Share of employees trained	
Average number of hours of training per employee	
Frequency rate and severity rate of occupational accidents	
Absenteeism rate	
Environmental information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total quantity of waste and type of waste	Monitoring of the carbon trajectory
Waste sorting rate	Measures to improve energy efficiency and implementation of the application measures of the Tertiary Decree
Waste recovery rate and breakdown by types of waste recovery (recycled, reused, composted, energy recovery, other type of recovery)	Waste management and recovery measures
Water consumption of common parts	Measures to promote biodiversity
Water consumption of tenants	
Share of tenants whose energy consumptions were collected	
Energy intensity per unit area	
Share of energy consumption from renewable sources	
Scope 1 and 2 greenhouse gas emissions (location-based and market-based)	
Scope 1 and 2 carbon intensity per unit area (location-based and market-based)	
Scope 3 greenhouse gas emissions (related to the management of waste from operations, tenants' energy consumption, employee travel, purchasing and construction work)	
Share of BREEAM In-Use certified strategic centers	
Average score for Part 2 BREEAM In-Use certifications	
Share of BREEAM New Construction certified strategic centers	
Construction	
Quantity of phytosanitary product used in the year	
Societal information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Percentage of centers equipped with charging stations for electric vehicles	Development of a responsible retail and services offering
Percentage of centers located within 500 meters of a public transport stop	Measures implemented to promote alternative means of transport to personal gas-powered cars
Percentage of centers covered by a tenant satisfaction survey	Employment initiatives within the centers
Percentage of centers on which a safety audit was conducted during the year	Actions to promote solidarity within the centers
Average safety audit score	Retailer and visitor environmental awareness-raising initiatives
Number of jobs hosted by Mercialis activity	Measures to promote local and responsible purchasing
Percentage of centers that hosted an association during the year	Measures to ensure safety, health quality and well-being within the centers
Percentage of centers that carried out a CSR action during the year	
Socio-economic contribution of centers	
Percentage of strategic centers that hosted an employment event	
Percentage of leases with an environmental clause signed during the year	
Percentage of corporate purchasing covered by CSR clauses	
Percentage of center purchasing covered by CSR clauses	
Percentage of local center purchases	
Number of cases referred to the Ethics Officer as part of the whistleblowing procedure	



10.8%

retailer occupancy
cost ratio



2.0%

average cost
of drawn debt



€16.3

NAV EPRA NTA

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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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3.1 Consolidated financial statements

3.1.1 Financial statements

3.1.1.1 Consolidated income statement

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Rental revenues		179,534	178,010
Service charges and property taxes		(47,639)	(51,079)
Charges and tax billed to tenants		41,631	45,201
Net property operating charges		(1,212)	(1,208)
Net rental income	6.1	172,314	170,924
Management, administrative and other activities income	6.2	3,239	3,078
Other income	6.3	2	-
Other expenses	6.4	(7,867)	(4,433)
Personnel expenses	6.5	(20,526)	(20,169)
Depreciation and amortization	6.6	(37,828)	(38,540)
Reversals of/(Allowances for) provisions		(901)	(4,774)
Other operating income	6.7	154,721	10,647
Other operating expenses	6.7	(161,009)	(30,915)
Operating income		102,145	85,818
Income from cash and cash equivalents		6,727	3,185
Gross finance costs		(51,243)	(38,194)
(Expenses)/Income from net financial debt	14.1.1	(44,516)	(35,009)
Other financial income	14.1.2	947	774
Other financial expenses	14.1.2	(3,472)	(6,085)
Net financial expense		(47,041)	(40,321)
Tax expense	7.1	(793)	(495)
Share of net income from equity associates and joint ventures	3.5	2,432	1,727
CONSOLIDATED NET INCOME		56,742	46,730
Attributable to non-controlling interests ⁽¹⁾		2,983	(6,643)
Attributable to owners of the parent		53,759	53,373
Earnings per share ⁽²⁾	20.3		
Net income attributable to owners of the parent <i>(in euros)</i>		0.58	0.57
Diluted net income attributable to owners of the parent <i>(in euros)</i>		0.58	0.57

(1) In 2023, the loss attributable to non-controlling interests is mainly related to the recognition of provisions for impairment on investment property attributable to non-controlling interests.

(2) Based on the weighted average number of shares over the period adjusted for treasury shares.

Undiluted weighted average number of shares in 2024 = 93,435,731 shares.

Fully diluted weighted average number of shares in 2024 = 93,435,731 shares.

3.1.1.2 Statement of consolidated comprehensive income

(in thousands of euros)

	Notes	12/31/2024	12/31/2023
Consolidated net income		56,742	46,730
Items that may be recycled as income		(4,863)	(11,700)
Cash flow hedges	18	(4,994)	(12,103)
Tax effects	7.2	131	403
Items that may not be recycled as income		117	(35)
Change in fair value of financial assets measured at fair value through the other items of comprehensive income	18	(15)	(58)
Actuarial gains or losses	22.1	177	30
Tax effects	7.2	(46)	(8)
Other comprehensive income for the period, net of tax		(4,746)	(11,735)
CONSOLIDATED COMPREHENSIVE INCOME		51,996	34,995
Attributable to non-controlling interests		2,983	(6,643)
Attributable to owners of the parent		49,013	41,638

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3.1.1.3 Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Intangible assets	8.1	3,424	3,144
Property, plant and equipment	8.1	7,445	5,825
Investment properties	8.1	1,720,595	1,864,950
Right-of-use assets	9	14,784	10,615
Investments in associates	3.5	40,315	39,557
Other non-current assets	10	30,604	37,577
Deferred tax assets	7.2	1,700	1,614
Non-current assets		1,818,867	1,963,282
Trade receivables	12	30,766	35,936
Other current assets	13	27,048	31,902
Cash and cash equivalents	14	283,653	118,155
Investment properties held for sale	8.2	-	1,400
Current assets		341,467	187,393
TOTAL ASSETS		2,160,334	2,150,676

Equity and liabilities

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Share capital	20	93,887	93,887
Additional paid-in capital, treasury shares and other reserves		537,179	583,337
Equity, attributable to owners of the parent		631,065	677,224
Non-controlling interests	20.5	130,957	188,871
Equity		762,022	866,095
Non-current provisions	22	1,390	1,406
Non-current financial liabilities	14	1,237,529	1,131,627
Deposits and guarantees		29,424	24,935
Non-current lease liabilities	9	13,991	9,529
Other non-current liabilities	17.2	4,675	4,834
Non-current liabilities		1,287,010	1,172,332
Trade payables	15	10,916	9,265
Current financial liabilities	14	50,765	53,037
Current lease liabilities	9	1,204	1,331
Current provisions	22	16,644	15,581
Other current liabilities	16	31,384	32,940
Current tax liabilities	16	390	95
Current liabilities		111,303	112,249
TOTAL EQUITY AND LIABILITIES		2,160,334	2,150,676

3.1.1.4 Consolidated cash flow statement

(in thousands of euros)	Notes	12/31/2024	12/31/2023
Net income attributable to owners of the parent		53,759	53,373
Non-controlling interests		2,983	(6,643)
Consolidated net income		56,742	46,730
Depreciation, amortization ⁽¹⁾ and provisions, net of reversals	6.6	31,049	64,054
Expenses/(income) relating to stock options and similar		880	763
Other calculated expenses/(income) ⁽²⁾		192	5,559
Share of net income from equity associates and joint ventures	3.5	(2,432)	(1,727)
Dividends received from associates and joint ventures	3.5	3,687	2,525
Income from asset disposals	4.3/6.7	13,410	(766)
Expenses/(Income) from net financial debt		44,516	35,009
Net financial interest in respect of lease agreements	9	360	344
Tax expense (including deferred tax)	7	793	495
Cash flow		149,197	152,987
Taxes received/(paid)		(707)	(569)
Change in working capital requirement relating to operations, excluding deposits and guarantees ⁽³⁾		8,555	(19,464)
Change in deposits and guarantees		4,489	1,313
Net cash flows from operating activities		161,535	134,267
Cash outflows on acquisitions of:			
• investment properties and other fixed assets	4.2/8.1.2.3	(28,780)	(22,532)
• non-current financial assets		(19)	(4)
Cash inflows on disposals of:			
• investment properties and other fixed assets	4.3	131,202	3,964
• non-current financial assets	4.5	945	3,146
Investments in associates and joint ventures	4.5	(1,127)	(6,312)
Impact of changes in scope with change of control		-	-
Change in loans and advances granted		-	-
Net cash flow from investing activities		102,220	(21,740)
Dividends paid to shareholders of the parent company (final)	21	(92,643)	(89,565)
Dividends paid to shareholders of the parent company (interim)	21	-	-
Dividends paid to non-controlling interests	20.5	(60,897)	(9,780)
Increase or decrease in share capital		-	-
Other transactions with shareholders		-	-
Changes in treasury shares		(3,408)	(744)
Increase in borrowings and financial liabilities	4.1	518,707	109,000
Decrease in borrowings and financial liabilities	4.1	(422,000)	(192,204)
Repayment of lease liabilities	9	(1,356)	(1,231)
Interest received ⁽⁴⁾	4.4	21,102	17,880
Interest paid	4.4	(57,762)	(43,727)
Net cash flow from financing activities		(98,257)	(210,371)
CHANGE IN CASH POSITION		165,498	(97,844)
Net cash at beginning of year	14	118,155	215,999
Net cash at end of year	14	283,653	118,155
• of which cash and cash equivalents		283,653	118,155
• of which bank overdrafts		-	-
<i>(1) Depreciation and amortization exclude the impact of impairment on current assets</i>			
<i>(2) Other calculated expenses and income mainly comprise:</i>			
• discounting adjustments to construction leases (Note 10, p.164)		(197)	(207)
• lease rights received from tenants and spread out over the fixed term of the lease		200	2,920
• financial expenses spread out		666	648
• interest on non-cash loans and other financial income and expenses		(758)	2,024

03. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated financial statements

(in thousands of euros)	Notes	12/31/2024	12/31/2023
(3) The change in working capital requirement breaks down as follows:			
• trade receivables		5,170	(7,462)
• trade payables		1,651	(4,646)
• other receivables and payables		1,734	(7,356)
Total working capital requirement		8,555	(19,464)

(4) Primarily comprising interest received on instruments classified as debt hedging instruments under IAS 7.16.

3.1.1.5 Change in consolidated equity

(in thousands of euros)	Share capital	Capital reserves ⁽¹⁾	Treasury shares	Consolidated reserves and retained earnings	Actuarial gains or losses	Change in financial assets through other comprehensive income	Equity attributable to owners of the parent ⁽²⁾	Non-controlling interests	Total equity
At January 1, 2023 (restated)	93,887	498,102	(4,927)	145,439	(279)	(7,089)	725,132	205,294	930,426
Other comprehensive income for the period	-	-	-	(11,700)	22	(58)	(11,735)	-	(11,735)
Net income for the fiscal year	-	-	-	53,373	-	-	53,373	(6,643)	46,730
Consolidated comprehensive income for the period	-	-	-	41,673	22	(58)	41,638	(6,643)	34,995
Treasury share transactions (Note 20 p.177)	-	-	(396)	(348)	-	-	(744)	-	(744)
Dividends paid in respect of 2022	-	-	-	(89,565)	-	-	(89,565)	(9,780)	(99,345)
Share-based payments	-	-	-	763	-	-	763	-	763
At December 31, 2023	93,887	498,102	(5,323)	97,962	(257)	(7,147)	677,224	188,871	866,095
Other comprehensive income for the period	-	-	-	(4,863)	132	(15)	(4,746)	-	(4,746)
Net income for the fiscal year	-	-	-	53,759	-	-	53,759	2,983	56,742
Consolidated comprehensive income for the period	-	-	-	48,896	132	(15)	49,013	2,983	51,996
Treasury share transactions (Note 20 p.177)	-	-	(2,652)	(757)	-	-	(3,408)	-	(3,408)
Dividends paid in respect of 2023	-	-	-	(92,643)	-	-	(92,643)	(60,897)	(153,540)
Share-based payments	-	-	-	880	-	-	880	-	880
AT DECEMBER 31, 2024	93,887	498,102	(7,974)	54,338	(125)	(7,161)	631,065	130,957	762,022

(1) Capital reserves correspond to premiums on shares issued for cash or assets, merger premiums and statutory reserves.

(2) Attributable to Mercialis SA shareholders.

3.1.2 Notes to the financial statements

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Information about the Mercialys group

Mercialys is a *société anonyme* (French-law limited liability company), specialized in retail real estate. Its head office is located at 16-18, rue du Quatre-Septembre, 75002 Paris, France.

Mercialys SA's shares are listed on Euronext Paris Compartment A.

The Company and its subsidiaries are hereafter referred to as the "Group" or the "Mercialys group."

The consolidated annual financial statements as at December 31, 2024 reflect the accounting position of the Company, its subsidiaries and joint ventures, as well as the Group's interests in equity associates.

On February 12, 2025, the Board of Directors approved and authorized the publication of the Mercialys group consolidated financial statements for the 2024 fiscal year.

Note 1 Accounting principles, rules and methods

1.1 Guidelines

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the Mercialys group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union at the date on which the financial statements were approved by the Board of Directors and applicable at December 31, 2024.

These standards are available on the European Commission website at the following address: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en

The accounting policies set out below were applied consistently to all the periods presented in the consolidated financial statements, after taking into account the new standards and interpretations described below.

Standards, amendments and interpretations adopted by the European Union and mandatory from the fiscal year beginning January 1, 2024

The European Union has adopted the following standards which are mandatory for the Group with effect from its fiscal year beginning January 1, 2024:

The following texts have no material impact on the Group's consolidated financial statements:

- amendments to IAS 1 - Current / non-current classification of liabilities;
- amendments to IFRS 16 - Lease liability in a sale and leaseback;
- amendments to IAS 7 & IFRS 7 - Supplier Finance Arrangements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of assessment

The consolidated financial statements were prepared using the historical cost principle with the exception of:

- assets and liabilities remeasured at fair value in the context of a business combination, in accordance with the principles set out in IFRS 3;
- derivative financial instruments and financial assets measured at fair value. The book value of assets and liabilities that are fair value hedged items that would otherwise be measured at cost is adjusted to reflect changes in fair value attributable to the risks being hedged.

The consolidated financial statements are presented in thousands of euros. The amounts stated in the consolidated financial statements have been rounded up or down to the nearest thousand and include figures that have been rounded individually. There may be differences between the arithmetic totals of these figures and the aggregates or subtotals shown.

1.2.2 Use of estimates and judgments

In preparing the consolidated financial statements, the Management is required to make a number of judgments, estimates and assumptions that affect the amount of certain assets and liabilities, income and expense items, and certain information provided in the notes to the financial statements. As assumptions are inherently uncertain, actual results may differ from these estimates.

The Group reviews its estimates and assessments on a regular basis to take into account past experience and incorporate factors considered relevant under current economic conditions.

The material judgments made by management to apply the Group's accounting methods and the main sources of uncertainty linked to estimates are identical to those described in the latest annual financial statements.

The main line items in the financial statements that may depend on estimates and judgments are:

- financial assets at fair value through other comprehensive income whose fair value was determined based on their liquidation value;
- the fair value of investment properties whose valuations, as determined by independent assessors, are based on unobservable data;
- the impairment of trade receivables;
- the classification of investment properties held for sale;
- the procedures used for the application of IFRS 16, in particular the determination of discount rates and the lease duration used for the measurement of lease liabilities.

Mercialys' financial statements take into account, based on current knowledge and practices, challenges related to climate change. The expenses incurred by the Company as part of its 2030 CSR policy, in particular related to environmental issues (carbon neutrality, careful use of natural resources and control of the artificialization of soils), are recognized as investments (heating and air conditioning, changes in lighting systems, waste management facilities, etc.) or expenses (consulting, studies, etc.). In addition, the valuation of investment properties incorporates this dimension through the inclusion of multi-year work plans taking into account the expenses associated with changes made to buildings and their uses.

Lastly, it should be noted that all of Mercialis' undrawn bank credit lines at the end of December 2023 include ESG criteria, in particular related to climate change issues (carbon roadmap, BREEAM rating of assets in particular) that have an upward or downward impact on the cost of this financing.

The Group, notably through its Audit, Risks and Sustainable Development Committee, regularly monitors risks related to climate change, and transition risks in particular, based on the financial impacts for economic players of the effects of the implementation of a low-carbon economic model.

Note 2 Significant events of the fiscal year

Change in the rental base

Following the agreements signed by the Casino group with Intermarché, Auchan and Carrefour, the majority of retailers at the hypermarkets owned by Mercialis changed during the first half of 2024. Furthermore, on October 2, 2024, the Casino group announced that it had finalized the sale of its operating subsidiary in Corsica, resulting in the resumption of operations under the Auchan brand of the 5 Corsican hypermarkets and supermarkets owned by Mercialis.

At the end of 2024, only the Brest and Niort hypermarkets, 51%-owned by Mercialis (the remaining 49% held by a fund managed by BNP Paribas REIM), were still leased by the Casino group. The leases on these will expire on June 30, 2027. However, on September 30, 2024, the Casino group voluntarily and suddenly stopped the operation of these two stores. Mercialis immediately challenged these closures through the courts, while at the same time holding discussions with the Casino group regarding the operational development of these hypermarkets, thus making it possible to prepare for their reletting, if necessary, which would strengthen the overall commercial attractiveness of the two sites. However, the Casino group has met its quarterly payment deadlines, including those for the fourth quarter of 2024 and the first quarter of 2025.

The operation of four hypermarkets not owned by Mercialis, but which anchor small shopping centers owned by the real estate company (Brive, Aurillac, Valence and Dijon-Chenôve), was also interrupted on the same date. These shopping centers represent a total of 1.2% of the Company's net rental income (including casual leasing and excluding medium-sized stores, whose flows are little affected by food-anchored tenants).

Company financing and balance sheet

In September 2024, Mercialis placed a Euro 300 million bond issue with a 7-year maturity and a 4.0% coupon. In addition, Mercialis exercised the early redemption option of the bond maturing in July 2027, with a residual nominal amount of Euro 200 million and a 4.625% coupon. This refinancing operation enabled Mercialis to extend the maturity of its drawn debt from 3.3 years at the end of June 2024 to 4.0 years at the end of September 2024, to optimize the average cost of debt and to strengthen the liquidity of its balance sheet.

Disposal transactions

At the beginning of 2024, Mercialis sold a dispersed asset on the Narbonne site for Euro 1.4 million.

On July 2, 2024, Mercialis agreed the definitive sale of the four assets held via Hyperthetis, in which the Company owns a 51% stake. The net sales price was Euro 117.5 million.

On July 18, 2024, Mercialis also sold four assets on the Millau site for Euro 0.7 million and on September 20, the Montauban shopping center for Euro 5.5 million.

Acquisitions

On July 3, 2024, the earn-out payment relating to the acquisition, completed in 2023, of the 30 % stake in ImocomPartners was paid in the amount of Euro 1 million.

Note 3 Scope of consolidation

ACCOUNTING PRINCIPLE

Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls a subsidiary where it is shown or where it has the right to variable returns due to its links with the entity and it has the ability to influence these returns due to its power over the entity. Financial statements of subsidiaries are included in the consolidated financial statements as from the date of effective transfer of control until the date the control ceases to exist. Subsidiaries, regardless of the percentage interest held, are fully consolidated in the Group's statement of financial position.

Partnerships

The Group classifies its interests in partnerships either as a joint activity (if it has rights to assets and assumes obligations with respect to liabilities, within the framework of a partnership) or as a joint venture (if it only has rights to the net assets concerned by a partnership). On making this assessment, the Group has taken into account the structure of the partnership, the legal form of the separate vehicle, contractual stipulations and, if applicable, other facts and circumstances.

The Group has analyzed its partnerships and concluded that they should be qualified as a joint venture (previously jointly-owned entity). As a result, investments are accounted for using the equity method.

Equity associates

Equity associates are companies over which the Group exercises significant influence on financial and operating policies but which it does not control. Equity associates are recognized in the consolidated statement of financial position using the equity method. Goodwill relating to these entities is included in the book value of the equity investment.

Business combinations

Pursuant to IFRS 3 as revised, the consideration transferred (purchase price) is measured at the fair value of the assets in question, the equity issued and the liabilities incurred on the date of the transaction. The identifiable assets and liabilities of the acquired business are measured at their fair value on the date of acquisition. Costs directly associated with the acquisition are recognized under "Other operating expenses."

Any surplus remaining, plus, if relevant, the amount of non-controlling interests and the fair value of all interests previously held in the acquired company, after deduction of the Group share of the net fair value of the identifiable assets and liabilities of the acquired business will be recognized as goodwill. When the difference is negative, a gain on a bargain purchase is immediately recognized as income.

At the date of acquisition, for each business combination, the Group may elect to apply either the partial goodwill method (restricted to the share acquired by the Group) or the full goodwill method. If the full goodwill method is chosen, non-controlling interests are measured at their fair value and the Group recognizes goodwill on the full amount of the identifiable assets acquired and liabilities assumed.

Business combinations completed prior to January 1, 2010 were accounted for using the partial goodwill method, this being the only method applicable before IFRS 3 (revised).

In case of acquisition by stages, the previously-held equity interest will be remeasured at fair value on the effective date of control. The difference between the fair value and net book value of this equity interest is recognized directly in the income statement (under "Other operating income" or "Other operating expenses").

The amounts recognized on the acquisition date may be adjusted retrospectively if they relate to new information brought to the buyer's attention concerning facts and circumstances that existed before the acquisition date. Beyond the measurement period (not exceeding 12 months after the takeover of the acquired entity), the goodwill may no longer be adjusted; subsequent acquisitions/disposals of non-controlling interests are recognized as transactions with shareholders, i.e. directly under equity.

In addition, earn-out payments are included in the consideration transferred at their fair value at the acquisition date and regardless of their probability. During the valuation period, subsequent adjustments are allowed against goodwill when they relate to facts and circumstances that existed at the acquisition date. Otherwise, and beyond this period, adjustments to earn-out payments are recognized directly in the income statement (under "Other operating income" or "Other operating expenses"), unless the earn-out payments are against an equity instrument. In the latter case, the earn-out payment is not restated at a later date.

Year-end

With the exception of SAS Hillel, which closed on June 30, all consolidated companies closed their financial statements on December 31.

Transactions eliminated from the consolidated financial statements

Balance sheet items and income and expense items resulting from intragroup transactions are eliminated when preparing the consolidated financial statements.

3.1 Transactions in 2024

There was no change in scope in 2024.

3.2 Transactions in 2023

In July 2023, Mercialys Gestion became a 22.9% shareholder in Hillel (DEPUR group). The governance of this company is determined by a shareholders' agreement signed on July 17, 2023. Mercialys does not have power over this entity within the meaning of IFRS 10 but exercises significant influence over Hillel, which will therefore be consolidated using the equity method from the second half of 2023 (Note 23, p. 183).

In December 2023, Mercialys Gestion acquired a 30% stake in the share capital of ImocomPartners, a portfolio management company. The rules of governance are determined by a shareholders' agreement. Strategic decisions are authorized by a Strategic Committee, of which Mercialys is a member, giving it significant influence. ImocomPartners is therefore consolidated using the equity method. Mercialys has a commitment to buy back the remaining 70% of the Company's share capital. This is a commitment to buy back at fair value (put), subject to the meeting of conditions precedent, with a deadline in 2025 (see Note 23, p. 183).

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3.3 List of consolidated companies

At December 31, 2024, the Mercialys group comprised 31 consolidated companies:

Name	December 31, 2024			December 31, 2023		
	Method	% of interest	% of control	Method	% of interest	% of control
Mercialys SA	FC	Parent company	Parent company	FC	Parent company	Parent company
Mercialys Gestion SAS	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Kerbernard	FC	100.00%	100.00%	FC	100.00%	100.00%
Point Confort SAS	FC	100.00%	100.00%	FC	100.00%	100.00%
Corin Asset Management SAS	EM	40.00%	40.00%	EM	40.00%	40.00%
Société du Centre Commercial de Narbonne SNC	FC	100.00%	100.00%	FC	100.00%	100.00%
FISO SNC	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS des Salins	FC	100.00%	100.00%	FC	100.00%	100.00%
SCI Timur	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Géante Périaz	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Dentelle	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Caserne de Bonne	FC	100.00%	100.00%	FC	100.00%	100.00%
SCI AMR	EM	25.00%	25.00%	EM	25.00%	25.00%
SNC Aix2	EM	50.00%	50.00%	EM	50.00%	50.00%
SNC Fenouillet Participation	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Fenouillet Immobilier	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Hyperthetis Participations	FC	51.00%	51.00%	FC	51.00%	51.00%
SAS Immosiris	FC	51.00%	51.00%	FC	51.00%	51.00%
SAS Epicanthe	FC	100.00%	100.00%	FC	100.00%	100.00%
SARL Cypérus Saint-André (formerly Toutoune)	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Mercialys Exploitation	FC	100.00%	100.00%	FC	100.00%	100.00%
SCI Rennes-Anglet	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Astuy	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC Sacré-Cœur	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Ocitô la Galerie	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Cap Cowork Mercialys	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Saint-Denis Genin	EM	30.00%	30.00%	EM	30.00%	30.00%
SAS Mercialys Participations	FC	100.00%	100.00%	FC	100.00%	100.00%
SNC The Next Horizon	FC	100.00%	100.00%	FC	100.00%	100.00%
SAS Hillel	EM	22.88%	22.88%	EM	22.88%	22.88%
SAS ImocomPartners	EM	30.00%	30.00%	EM	30.00%	30.00%

FC: Full consolidation.

EM: Equity method.

3.4 Assessment of control

No event that occurred in 2024 called into question the assessments of the control of the entities within the scope of consolidation.

Analysis of control for entities that are not wholly owned by the Mercialys group:

Simplified joint stock company (SAS) Corin Asset Management

The Group jointly holds a 40% stake in Corin Asset Management. In view of the agreements with its partner, the Group considers this company as a joint venture in accordance with IFRS 11. Corin Asset Management is therefore accounted for using the equity method (see Note 3.5, p. 147).

SCI AMR

Following the non-proportional capital increase carried out for SCI AMR by its shareholders in December 2020, SCI AMR is now 75%-owned by Amundi and 25%-owned by Mercialys SA. The SCI is governed by the articles of association and a shareholders' agreement dated December 23, 2020. The key decisions granting their holders a participatory right are taken by simple majority. Other decisions requiring the approval of Mercialys are non-strategic decisions and they confer a protective right on partners.

The Group only has significant influence over SCI AMR. Consequently, the company is accounted for using the equity method (see Note 3.5, p. 147).

SNC Aix2

The Group jointly holds a 50% stake in SNC Aix2. A shareholders' agreement formalizes the sharing of control of the business and sets out the powers of the Monitoring Committee composed of both executives. Each member of the Monitoring Committee has one vote. The Monitoring Committee may only validly deliberate when all members are present. The Committee's decisions are adopted unanimously.

Accordingly, the Group considers the company as a joint venture in accordance with IFRS 11. SNC Aix 2 is therefore accounted for using the equity method (see Note 3.5, p. 147).

OPCI UIR II

Since July 2011, Mercialys has owned 19.99% of OPCI UIR II, established with Union Investment (UI) which owns 80.01%.

A capital increase of OPCI UIR II was carried out in September 2020. In the first half of 2023, a capital reduction was carried out for OPCI UIR II by its shareholders, without affecting the share ownership stakes.

OPCI UIR II is in the process of liquidation.

The governance rules are as follows:

- the Board of Directors makes all decisions (strategic, financial and operational);
- management is undertaken by UI and Mercialys may not cancel this;
- dividend distributions are on the initiative of UI;
- all decisions of the Board of Directors are made by a majority of those present (UI is represented by four out of five members);
- no specific rights are granted to Mercialys;
- Mercialys may decide to leave the OPCI since it benefits from a put option in respect of UI.

These governance rules cannot presume that Mercialys has significant influence over the OPCI. OPCI UIR II is therefore classified under "Financial assets at fair value through other comprehensive income" (Note 10, p. 164). This company is now under liquidation.

SAS Hyperthetis Participations

On June 1, 2015, Mercialys set up the simplified joint-stock company Hyperthetis Participations with a capital of Euro 10. On June 17, 2015, Mercialys transferred six real estate assets to Hyperthetis Participations. On June 26, 2015, Mercialys sold 49% of the shares in Hyperthetis Participations to OPCI SPF2, majority-owned by BNP Paribas.

Since the end of June 2015, Mercialys has held a 51% stake in SAS Hyperthetis Participations. In accordance with IFRS 10, analysis has led to the conclusion that Mercialys has exclusive control over the whole.

Mercialys has the power to influence the returns of SAS Hyperthetis Participations through the shareholders' agreement in place.

Consequently, SAS Hyperthetis Participations is fully consolidated within the Group's consolidated financial statements (see Note 20.5, p. 179).

SAS Immosiris

On October 22, 2015, Mercialys set up the simplified joint-stock company, Immosiris, with a capital of Euro 100.

On November 2, 2015, Mercialys transferred one real estate asset to Immosiris. On November 10, 2015, Mercialys sold 29.7% of the shares in Immosiris to OPCI REAF, majority-owned by BNP Paribas. On November 10, 2015, Mercialys was diluted by OPCI REAF to 51%.

Since November 2015, Mercialys has held 51% of SAS Immosiris. In accordance with IFRS 10, the analysis performed concludes that the governance rules in place do not define a joint venture but monitor Mercialys' exclusive control over the partners, accompanied by protection rights for minority shareholders given the particular nature of the activity, of which a part of the revenues is obtained from a related party. This is because the criteria defining the concept of control, in accordance with IFRS 10, are met:

- Mercialys has power over collective decisions and consequently controls the operational and strategic activities of SAS Immosiris which mainly comprise the management of rents and investments;
- the rights that Mercialys grants to non-controlling interests are protective rights.

Consequently, SAS Immosiris is fully consolidated in the Group's consolidated financial statements (see Note 20.5, p. 179).

SAS Saint-Denis Genin

SAS Saint-Denis Genin is 70%-owned by SAS Telamon (formerly SAS Panhard Développement) and 30%-owned by SAS Astuy. Ordinary decisions are taken by a simple majority of the votes cast by the partners. Extraordinary decisions, as well as those coming under Article L. 227-19 of the French Commercial Code, require the partners' unanimous approval. The Group only has a significant influence over SAS Saint-Denis Genin. As a result, the company is accounted for using the equity method.

SAS Hillel

Mercialys Gestion has held a 22.88% stake in SAS Hillel since July 17, 2023. The governance of this company is determined by a shareholders' agreement, also signed on July 17, 2023. The company is represented by a Chairman, vested with the most extensive powers. However, the Chairman may not make any strategic decisions without the prior approval of the Strategy Committee, which is composed of three members, including a representative of Mercialys.

Collective decisions will be taken by a simple majority of the Strategy Committee except for strategic decisions, such as the adoption of the budget, investments and divestments, capital transactions and dividend distributions which must be taken unanimously.

Mercialys does not have full power but exercises significant influence over Hillel, which is therefore accounted for using the equity method.

SAS ImocomPartners

Mercialys Gestion acquired 30% of the share capital of SAS ImocomPartners on December 20, 2023. The rules of governance are set out in a shareholders' agreement. The Chairman, who is a partner, has the most extensive powers to represent the company in dealings with third parties. There are two Chief Executive Officers, one of whom is a Mercialys representative, and a Strategy Committee which is composed of three members, one of whom is Mercialys. For major decisions, the Chairman must have the approval of the Strategy Committee.

Each member of the Strategy Committee has one vote and decisions are made by simple majority. Mercialys does not have power over this entity but exercises significant influence. As a result, the company is accounted for using the equity method (see Note 23, p.183).

At the same time as the shareholders' agreement was signed, a purchase and sale agreement was signed for the shares issued by the company in relation to the transfer of ownership of the remaining 70% to Mercialys in 2025. The sale price of the remaining 70% has not been fixed. It will be determined on the basis of a 2025 enterprise value, which will notably be based on the 2023 and 2024 EBITDA and 2024 financial liabilities. This price reflects the fair value of underlying assets.

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3.5 Investments in equity associates and joint ventures

3.5.1 Significant equity associates

The table below shows the full condensed financial statements of the four main equity associates accounted for using the equity method. This information is prepared in compliance with IFRS, restated where appropriate for adjustments made by the Group such as fair value revaluation adjustments on the date of loss or gain of control, adjustments to bring the accounting principles into line with those of the Group and elimination of intragroup acquisitions or disposals up to the percentage held in equity associates:

	2024				2023			
(in thousands of euros)	SCI AMR	SNC Aix2	SAS Hillel	SAS Imocom Partners	SCI AMR	SNC Aix2	SAS Hillel	SAS Imocom Partners
% interest	25%	50%	22.9%	30%	25%	50%	22.9%	30%
Net rental income	19,471	1,698	-	-	18,402	1,343	-	-
Operating income	15,263	825	(658)	1,395	11,587	550	(443)	-
Net financial expense	(7,342)	(361)	(15)	-	(4,452)	(394)	-	-
Tax	(36)	2	-	(345)	(40)	(3)	-	-
Net income	7,885	465	(673)	1,051	7,095	154	(443)	-
Investment properties	248,887	27,157	-	-	250,112	27,351	-	-
Intangible assets	-	-	182	61	-	-	177	308
Property, plant and equipment	-	-	205	89	-	-	95	118
Non-current financial assets	-	-	23	37	-	-	21	35
Other non-current assets	5	-	-	-	5	-	-	-
Non-current assets	248,892	27,157	410	187	250,117	27,351	294	461
Trade receivables	2,143	533	322	81	1,482	544	120	659
Other current assets	4,682	490	160	238	2,452	646	306	49
Cash and cash equivalents	9,001	3,040	152	2,687	14,567	2,354	951	2,604
Current assets	15,826	4,063	634	3,005	18,501	3,544	1,377	3,312
TOTAL ASSETS	264,718	31,220	1,044	3,192	268,618	30,895	1,671	3,773
Equity	105,684	14,675	39	1,968	107,306	14,579	712	1,317
Non-current financial liabilities	152,032	-	346	-	148,125	15,240	816	-
Other non-current liabilities	1,783	-	570	-	1,729	447	36	-
Non-current liabilities	153,814	-	917	-	149,853	15,687	852	-
Trade payables	3,293	48	-	74	2,305	-	50	75
Current financial liabilities	543	15,715	-	-	2,233	256	1	-
Other current liabilities	1,384	783	88	1,150	6,919	373	56	2,380
Current liabilities	5,220	16,545	88	1,224	11,457	629	107	2,456
TOTAL EQUITY AND LIABILITIES	264,718	31,220	1,044	3,192	268,617	30,895	1,671	3,773

3.5.2 Change in investments in equity associates and joint ventures

The table below presents aggregate information of individually non-significant equity associates and joint ventures, for the share held by the Group.

<i>(in thousands of euros)</i>	Beginning of period	Share of income for the period	Retail	Other	End of period
Equity associates and joint ventures					
Simplified joint stock company (SAS) Corin Asset Management	48	(24)	-	-	24
SCI AMR	28,321	1,774	(3,268) ⁽¹⁾	-	26,827
SNC Aix2	6,812	77	(39)	440	7,290
SAS Saint-Denis Genin	21	2	-	-	23
SAS Hillel	-	(101)	-	1,101 ⁽²⁾	999
SAS ImocomPartners	-	-	-	4,393 ⁽³⁾	4,393
2023 FISCAL YEAR	35,203	1,727	(3,307)	5,934	39,557
Equity associates and joint ventures					
Simplified joint stock company (SAS) Corin Asset Management	24	61	-	-	85
SCI AMR	26,827	1,971	(2,377) ⁽¹⁾	-	26,421
SNC Aix2	7,290	233	(76)	(109)	7,337
SAS Saint-Denis Genin	23	5	-	-	29
SAS Hillel	999	(154)	-	-	845
SAS ImocomPartners	4,393	315	(120)	1,009 ⁽³⁾	5,597
2024 FISCAL YEAR	39,557	2,432	(2,573)	900	40,315

(1) Of which Euro 446,000 in dividends not collected at December 31, 2024, and Euro 1,560,000 not collected at December 31, 2023.

(2) On July 19, 2023, Mercialis Gestion acquired 22.9% of the shares in Hillel for Euro 0.2 million and participated in the capital increase to the tune of Euro 0.9 million.

(3) On December 20, 2023, Mercialis Gestion acquired 30% of the shares in ImocomPartners for Euro 4.4 million. In 2024, an earn-out payment was made by Mercialis Gestion in the amount of Euro 1 million (see Note 23.1.2 p. 183).

Note 4 Additional information on the cash flow statement

ACCOUNTING PRINCIPLE

The cash flow statement is prepared according to the indirect method on the basis of the consolidated entity's pre-tax income and is broken down into three categories:

- cash flow from operating activities: including tax, and dividends received from equity associates and joint ventures;
- cash flows from investing activities: especially acquisitions of control, loss of control including transaction costs, acquisitions and disposals of shares in non-consolidated companies, equity associates and joint ventures as well as fixed asset acquisitions and disposals;

- cash flows from financing activities: in particular bond issues and redemptions, issues of equity instruments, transactions between shareholders, net interest (cash flows from finance costs), equity-related transactions and dividends paid.

4.1 Reconciliation between change in cash position and change in net financial debt

(in thousands of euros)	12/31/2024	12/31/2023
Change in cash position	165,498	(97,844)
Increase in borrowings and financial liabilities ⁽¹⁾	(522,000)	(109,000)
Decrease in borrowings and financial liabilities ⁽²⁾	422,000	179,000
Issue costs, interest not due and loan repayment premiums ⁽³⁾	746	6,593
Fair value of liabilities	(5,572)	(2,098)
CHANGE IN NET FINANCIAL LIABILITIES	(60,672)	(23,349)

(1) In 2024, increases in borrowings and financial liabilities corresponded to the new bond issue of Euro - 300 million, and commercial paper purchases for Euro - 222 million.

In 2023, increases in borrowings and financial liabilities corresponded to commercial paper purchases for Euro - 109 million.

(2) In 2024, the decrease in borrowings and financial liabilities corresponded to the redemption of the bond maturing in 2027 for Euro 200 million and to commercial paper repayments for Euro 222 million.

In 2023, the decrease in borrowings and financial liabilities corresponded to commercial paper repayments for Euro 179 million.

(3) In 2024, the balance relating to the restructuring of financial instruments amounted to Euro - 3.7 million.

In 2023, the balance was Euro -1 3.2 million.

Balances are spread out, i.e. Euro 7.7 million in 2024 and Euro 5.6 million in 2023.

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4.2 Reconciliation of fixed asset acquisitions

(in thousands of euros)	12/31/2024	12/31/2023
Increase and other acquisitions of intangible assets	(1,342)	(929)
Increase and other acquisitions of property, plant and equipment	(2,050)	(1,408)
Increase and other acquisitions of investment properties ⁽¹⁾	(24,635)	(20,243)
Increase in right-of-use assets	-	-
Increase in investment properties held for sale	-	(31)
Change in liabilities on fixed assets	(753)	80
CASH OUTFLOWS LINKED TO ACQUISITIONS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	(28,780)	(22,532)

(1) In 2024 and 2023, cash outflows related to acquisitions of dispersed assets and works.

4.3 Reconciliation of fixed asset disposals

(in thousands of euros)	12/31/2024	12/31/2023
Disposals of property, plant and equipment during the fiscal year ⁽¹⁾	4	48
Disposals of investment properties during the fiscal year	27,866	1,326
Disposals of IFRS 5 assets (see Note 8.2, p. 164)	115,479	1,414
Income from asset disposals ⁽¹⁾	(13,410)	766
Change in trade receivables	1,262	411
CASH INFLOWS FROM DISPOSALS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	131,202	3,964

(1) In 2024, as in 2023, cash inflows from disposals consisted of disposals during the fiscal year (see Note 6.7, p. 153).

4.4 Reconciliation of net interest paid

(in thousands of euros)	12/31/2024	12/31/2023
Net finance costs presented in the income statement	(44,516)	(35,009)
Neutralization of depreciation of costs and issue/redemption premiums	(1,152)	1,657
Change in incurred interests and fair value hedge derivatives of financial liabilities	9,368	7,849
Interest paid on lease liabilities	(360)	(344)
Net interest	(36,659)	(25,847)
of which received	21,102	17,880
of which paid	(57,762)	(43,727)

4.5 Other disclosures relating to the cash flow statement

Investments in associates and joint ventures

On December 20, 2023, Mercialys acquired 30% of the share capital of portfolio management company ImocomPartners for Euro 5.1 million, including Euro 0.6 million in costs. In 2024, an earn-out payment of Euro 1 million was paid in relation to the acquisition of the 30% stake in ImocomPartners.

On July 17, 2023, Mercialys became a 22.9% shareholder in Hillel (DEPUR group) for Euro 1.2 million, including Euro 0.1 million in acquisition-related costs.

Proceeds from disposals of non-current financial assets

OPCI UIR II, which is being liquidated, carried out a capital reduction of Euro 13.5 million during the first half of 2023, i.e. Euro 2.7 million for Mercialys' share.

Note 5 Segment reporting

ACCOUNTING PRINCIPLE

Segment reporting reflects Management's view and is established on the basis of internal reporting used by the Chief Operating Decision Maker (the Chief Executive Officer) to make decisions about resources to be allocated and to assess the Group's performance.

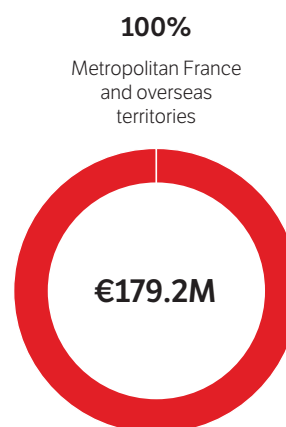
As the Group's Senior Management does not use a breakdown of operations to review operating matters, no segment reporting is provided in the financial statements.

To date, there is only one geographic segment, given that the Group's asset portfolio consists entirely of properties located in France. However, in the future, the Group does not rule out making investments outside of France, in which case information would be disclosed for other geographic segments as well.

► BREAKDOWN OF RENTS BY ACTIVITY



► BREAKDOWN OF RENTS BY REGION



Note 6 Information on the operating income

6.1 Net rental income

ACCOUNTING PRINCIPLE

Rental revenues

The leasing of properties by the Group to its tenants generates rental revenues. The amounts invoiced are recognized as revenues for the applicable period. In the case of construction leases, the value of the asset built by the lessee and transferred to the lessor for no consideration at the end of the lease is analyzed as additional rent payable in kind and is spread over the term of the lease.

Leases for shopping centers often include a variable portion of rents based on the lessee's sales, with a guaranteed minimum rent in order to limit risk for the Company in periods of economic recession.

Stepped rents, rent holidays and other benefits granted to tenants are accounted for by spreading an amount on a straight-line basis as a decrease or increase to rental revenues for the fiscal year. The spreading is done over the committed term of the lease.

Rental revenues also include upfront payments made by tenants upon signing the lease; if such payments are considered to be supplemental rent, they are spread over the initial committed term of the lease, generally three years.

Net rental income is the difference between rental revenue and directly attributable expenses. Directly attributable expenses include property taxes and service charges not billed to and recovered from tenants as well as other property operating charges. These expenses do not include costs classified by the Group as "Other expenses" or "Personnel expenses."

French regulations mandate a minimum duration of nine years for commercial leases. The tenant is entitled to terminate every three years simply by giving prior notice six months before the end of the current period. However, the parties may agree to a "firm" lease for more than nine years, such as those entered into by Mercialis.

Re-invoiced service charges are recognized as income for the period in which they are recovered. They correspond to the charges re-invoiced to tenants and are presented separately from re-invoiced items.

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Breakdown of net rental income

(in thousands of euros)

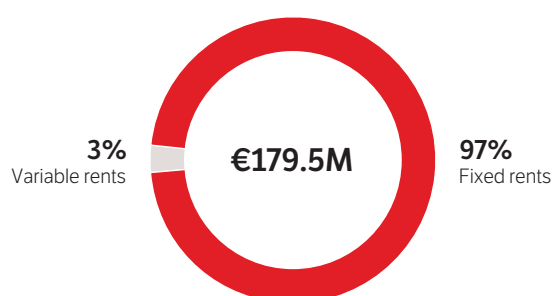
	12/31/2024	12/31/2023
Invoiced rents ⁽¹⁾	179,151	177,495
Lease rights and despecialization indemnities	384	515
Rental revenues	179,534	178,010
Property tax	(14,531)	(14,265)
Rebiling to tenants	12,153	12,048
Non-recovered property taxes	(2,378)	(2,217)
Service charges	(33,109)	(36,813)
Rebiling to tenants	29,478	33,152
Non-recovered service charges	(3,631)	(3,661)
Management fees	(756)	(952)
Rebiling to tenants	4,054	4,032
Losses on and impairment of receivables ⁽²⁾	(3,197)	(4,441)
Other ⁽³⁾	(1,313)	153
Net property operating charges	(1,212)	(1,208)
Net rental income	172,314	170,924

(1) Of which the variable component based on revenues: Euro 6,258,000 in 2024 versus Euro 5,600,000 in 2023.

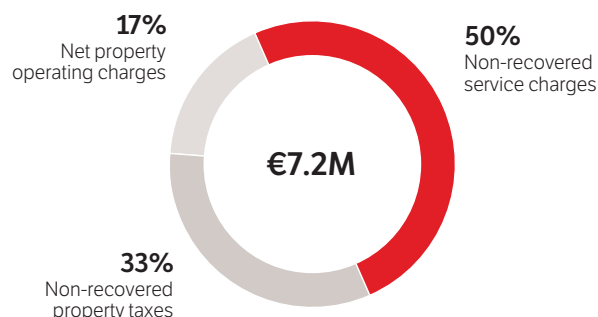
(2) In 2024 and in 2023, losses on and impairment of receivables mainly consisted of allowances for provisions calculated using the traditional method.

(3) Other expenses include rental income paid on construction leases and long-term ground leases, fees paid to third parties, and non-recoverable, non-capitalizable shopping center maintenance costs.

► **BREAKDOWN OF RENTAL REVENUES**



► **BREAKDOWN OF NON-RECOVERED CHARGES**



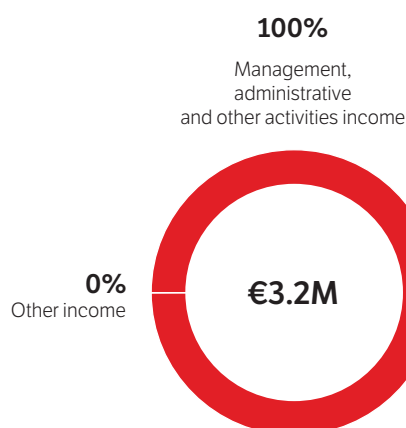
6.2 Management, administrative and other activities income

Management, administrative and other activities income primarily comprises fees charged for services provided by certain Mercialys teams – in connection with consulting services provided by the asset management team, or shopping center management services provided by the teams – as well as letting, asset management and advisory fees relating to partnerships formed. Fees charged in 2024 totaled Euro 3.2 million, compared to Euro 3.1 million in 2023.

6.3 Other income

There was no other income in 2024 or 2023.

► **BREAKDOWN OF OTHER INCOME AND OPERATING INCOME**



6.4 Other expenses

Other expenses mainly comprise operating expenses. These operating expenses are mainly made up of financial communication expenses, directors' fees paid to members of the Board of Directors, communication expenses, marketing research costs, fees for work, miscellaneous fees (Statutory Auditors, consulting, studies) and real estate asset appraisal fees.

In fiscal year 2024, these expenses amounted to Euro - 7.9 million, versus Euro - 4.4 million in 2023.

6.5 Personnel expenses

Personnel expenses amounted to Euro - 20.5 million at the end of December 2024, versus Euro - 20.2 million at the end of December 2023.

6.6 Depreciation, amortization, provisions and impairment

(in thousands of euros)

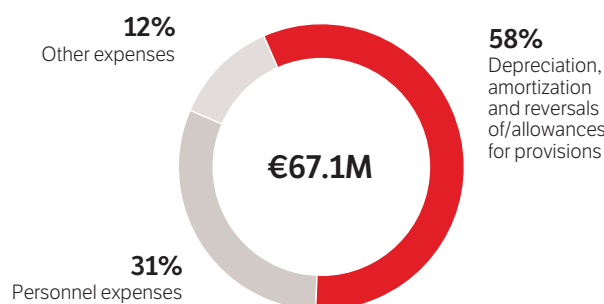
	Notes	12/31/2024	12/31/2023
Depreciation and amortization of intangible assets, property, plant and equipment and investment property		(36,313)	(37,053)
Depreciation and amortization of right-of-use assets		(1,515)	(1,487)
Depreciation and amortization		(37,828)	(38,540)
Reversals of/(allowances for) investment property impairment ⁽¹⁾	6.7	7,780	(23,213)
Reversals of/(allowances for) provisions for liabilities and charges ⁽²⁾	22.1	(1,001)	(2,302)
Reversals of/(allowances for) impairment on current assets ⁽³⁾	12	234	(3,551)
TOTAL ALLOWANCES FOR DEPRECIATION AND AMORTIZATION, PROVISIONS AND IMPAIRMENTS		(30,816)	(67,605)

(1) Allowances for investment property impairment are presented under "Other operating expenses" and reversals of investment property impairment under "Other operating income" in the consolidated income statement (see Note 11, p. 165).

(2) Reversals of/(allowances for) provisions for liabilities and charges are presented under "Reversals of/(allowances for) provisions" and "Other operating expenses/income" in the consolidated income statement.

(3) Reversals of/(allowances for) impairment of current assets are presented under "Net property operating charges" in the consolidated income statement.

► BREAKDOWN OF OTHER EXPENSES, PERSONNEL EXPENSES, AND DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT



6.7 Other operating income and expenses

ACCOUNTING PRINCIPLE

This line item records items which by definition are not considered in the appraisal of current operational performance such as non-current asset impairments, disposals of non-current assets and effects of the application of IFRS 3 if applicable.

Other operating income totaled Euro 154.7 million at December 31, 2024, compared to Euro 10.6 million at December 31, 2023. It is made up of:

- income from the disposal of assets completed in 2024 and the adjustment for assets disposed of prior to that for Euro 145.9 million;
- reversals of investment property impairment for Euro - 7.2 million;
- a reversal of provisions for litigation for Euro 1.0 million.

In 2023, other operating income (Euro 10.6 million) came from asset disposals for Euro 7.2 million and a reversal of provisions for litigation for Euro 3.5 million.

Other operating expenses amounted to Euro - 161.0 million at December 31, 2024, versus Euro - 30.9 million at December 31, 2023. These correspond primarily to:

- the net book value of assets disposed of during 2024 and costs relating to these disposals for Euro - 150.8 million;
- provisions for litigation for Euro - 0.8 million;
- investment property impairment for an amount of Euro - 9.3 million.

In 2023, other operating expenses (Euro - 30.9 million) came from net book values and associated costs for Euro - 6.4 million, investment property impairment of Euro - 23.2 million and a provision for litigation of Euro 1.0 million.

On this basis, the amount of net capital losses on the disposal of fixed assets recorded in the consolidated financial statements at December 31, 2024 is Euro 2.6 million.

In 2023, a net capital gain of Euro 0.8 million was recognized.

Note 7 Tax

ACCOUNTING PRINCIPLE

Current and deferred tax

Mercialys elected for SIIC tax status effective as at November 1, 2005.

Under this status, its rental revenues and capital gains on the sale of property assets are exempt from tax. In return for this exemption, the Company is required to distribute 95% of its net income from rental activities and 70% of its capital gains on property sales.

Under the SIIC regime, Mercialys may not be more than 60% owned

by a single shareholder or group acting in concert, and 15% of shareholders must hold less than 2% of the Company's share capital.

Upon election of SIIC status, Mercialys was required to pay an exit tax of 16.5% on its unrealized capital gains (on properties and investments in subsidiaries not subject to corporate tax). As a consequence of this election, the parent company no longer has any unrealized capital gains nor any net income from rental activities that will be subject to tax in the future.

7.1 Tax expense

Reconciliation of the effective tax expense and the theoretical tax expense

(in thousands of euros)	12/31/2024	12/31/2023
Theoretical tax rate	25.83%	25.83%
Pre-tax income and income from equity associates	55,104	45,498
Theoretical tax expense	(14,231)	(11,750)
Income tax exemption for SIIC status	16,549	17,704
Theoretical impact of temporary differences subject to tax at zero rate ⁽¹⁾	(1,082)	(5,361)
CVAE ⁽²⁾ net of corporation tax	(468)	(533)
Change in corporate tax rate	(1)	3
Recognition and elimination of loss ⁽³⁾	(1,561)	(557)
Tax credit	-	-
Effective tax expense	(793)	(495)
Effective tax rate	1.44%	1.09%

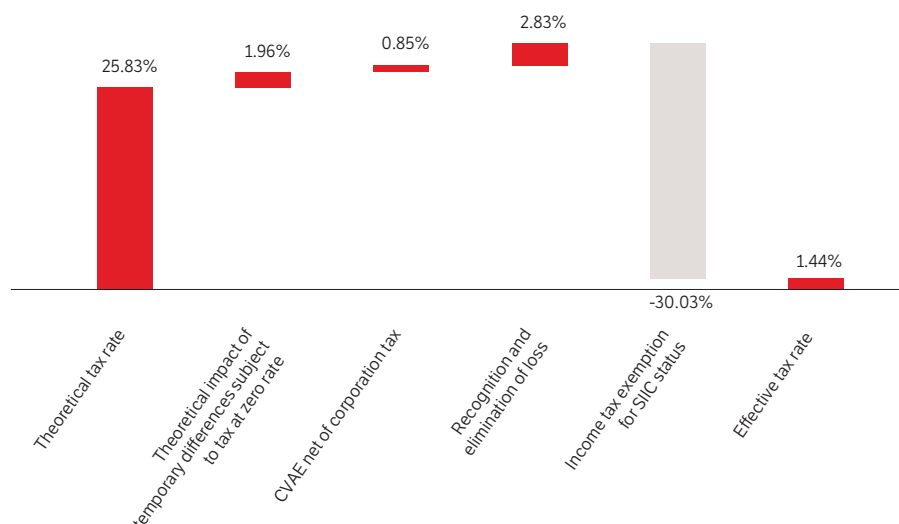
(1) In 2024, as in 2023, temporary differences subject to tax at zero rate primarily comprised provisions for miscellaneous risks, asset impairments and consolidation restatements not subject to deferred tax, in particular the cancelation of the capital gain on the internal disposal of fixed assets and securities.

(2) CVAE: contribution on added value paid by companies.

(3) In 2024, Mercialys SA had tax losses not recognized in deferred tax assets of Euro 4.9 million (compared to Euro 1.2 million in 2023).

The tax expense for the 2024 fiscal year amounts to Euro - 793,000, versus Euro - 495,000 in 2023. This tax expense consists of the CVAE tax for Euro - 468,000, corporation tax of Euro - 490,000 and deferred income taxes and timing tax differences for Euro 165,000.

RECONCILIATION BETWEEN THE EFFECTIVE TAX EXPENSE AND THE THEORETICAL TAX EXPENSE



7.2 Deferred taxes

ACCOUNTING PRINCIPLE

In accordance with IAS 12, deferred taxes are recognized. They correspond to tax calculated and that is likely to be recoverable since they consist of assets, on timing tax differences, tax loss carryforwards and certain consolidation restatements.

Deferred tax assets and liabilities are calculated according to the liability method on the basis of the tax rate expected for the fiscal year in which the asset will be realized or the liability settled.

Deferred taxes are recognized as income except if they are attached to business combinations or to items recognized under comprehensive income or directly as equity.

Deferred taxes are always presented as non-current assets or liabilities.

03

7.2.1 Change in deferred tax assets

(in thousands of euros)

	12/31/2024	12/31/2023
Beginning of period	1,614	1,601
Income/(Expense) for the fiscal year	608	(341)
Effect of changes in the scope of consolidation and reclassifications	(608)	(41)
Changes recognized under other comprehensive income	86	395
END OF PERIOD	1,700	1,614

At December 31, 2024 and December 31, 2023, deferred taxes mainly related to cash flow hedges and tax loss carryforwards.

7.2.2 Change in deferred tax liabilities

(in thousands of euros)

	12/31/2024	12/31/2023
Beginning of period	(215)	(731)
Income/(Expense) for the fiscal year	(443)	475
Effect of changes in the scope of consolidation and reclassifications	608	41
Changes recognized under other comprehensive income	-	-
END OF PERIOD	(51)	(215)

Note 8 Intangible assets, property, plant and equipment, and investment property

ACCOUNTING PRINCIPLE

Intangible assets, property, plant and equipment as well as investment property are recognized according to the cost method (acquisition cost less accumulated depreciation and any impairment losses).

An investment property is a property held by the Group for rental revenue or capital appreciation, or both. Investment properties are recognized and measured in accordance with the provisions of IAS 40.

Within the Group, shopping centers are recognized as investment properties.

Information on the fair value of investment property is provided in Note 8.1.3, p. 159. Depreciation methods and periods are the same as those used for property, plant and equipment.

Appraisals of assets owned by the Group are conducted in compliance with the Code of Ethics for real estate appraisers issued by the RICS (Royal Institution of Chartered Surveyors). The methods used to appraise the fair value of each asset are those recommended in the June 2006 property valuation charter (third edition) and in the 2000 report on the valuation of real estate assets of publicly traded companies by a working group of the COB (*Commission des Opérations de Bourse*, France's securities market regulator at the time) and the CNC (*Conseil National de la Comptabilité*, France's National Accounting Board). All of the assets in Mercialis' property portfolio are appraised on a rotating basis, at the rate of one third every year and by updating the other two thirds. As recommended in the 2000 COB/CNC report, two approaches are used to determine the fair value of each asset:

- the first approach, capitalization of rental income, consists of measuring net rental income from the asset and applying a yield rate corresponding to the market rate for assets of the same type, based on the retail area, configuration, location, competition, means of ownership, rental and extension potential and comparability with recent transactions, and taking into account the actual level of rent, less non billable expenses and works relative to the corresponding market price and the vacancy rate;
- the second approach, discounted cash flow (DCF), which consists of discounting future flows of income and expenses, takes into consideration projected rent increases and vacancy rates in future years, as well as other forecast parameters such as the duration of the period during which the property will be in the lease market and the investment outlays borne by the lessor.

The discount rate applied takes account of the market-risk-free rate (TEC 10-year OAT), plus a risk premium and a real estate market liquidity premium, as well as any risk premiums for obsolescence and rental risk.

Small assets have been valued by comparison with market transactions in similar assets.

Investment property impairment tests are carried out at the level of the cash-generating unit, i.e. at the level of the site composed of shopping centers, medium-sized stores and hypermarkets.

When Mercialis plans an individual asset disposal, these tests may be performed on the asset to be sold, as the cash-generating unit approach no longer has any substance.

A provision for investment property impairment is recognized when an appraisal value excluding transfer taxes is more than 5% below the net book value of the assets and/or when this difference can be considered as significant.

Cost price of fixed assets and investment property

The acquisition cost of property assets and investment property includes the acquisition expenses of these assets and investment property gross of tax.

Investment properties may include compensation paid to a tenant evicted upon early termination of a lease when:

- the tenant is replaced: if payment of eviction compensation enables the performance of the asset to be enhanced, this expenditure is capitalized as part of the cost of the asset; if not, this expenditure is charged to expenses in the fiscal year in which it is incurred;
- the site is renovated: if payment of eviction compensation is due to renovation work on the building, this expenditure is included in the cost of this work.

Personnel expenses and borrowing costs directly attributable to the acquisition, construction or production of an asset, for which preparation prior to use or planned sale requires a substantial period of time – generally more than six months – are included in the cost of the asset.

All other borrowing costs are recognized as expenses for the fiscal year in which they are incurred. Borrowing costs are interest and other costs borne by a company within the framework of borrowing funds.

Depreciation

Investment properties and fixed assets are recognized and depreciated according to the component method. For buildings, four components have been identified: structural elements, roofing, fire protection of the building shell, and fixtures. "Roofing" and "Fire protection of the building shell" are identified as separate components only in the case of major renovations. In all other cases, they are not separated from the "structural elements."

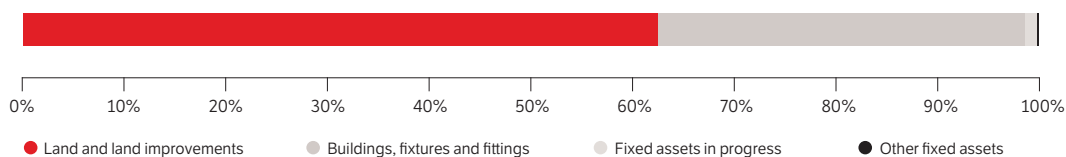
Property, plant and equipment and investment properties, with the exception of land (non-depreciable), are depreciated using the straight-line method for each category of asset, with generally zero residual value:

Type of asset	Depreciation/amortization period (in years)
Land arrangements and improvements	40 years
Buildings (structural elements)	50 years
Roofing	15 years
Fire protection of the building shell	25 years
Fixtures and fittings and renovation of premises	10 years-20 years

8.1 Intangible assets, property, plant and equipment, and investment property

8.1.1 Composition

(in thousands of euros)	12/31/2024			12/31/2023		
	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Software	5,192	(3,360)	1,832	11,477	(9,355)	2,122
Other intangible assets in progress	1,592	-	1,592	1,022	-	1,022
Intangible assets	6,784	(3,360)	3,424	12,499	(9,355)	3,144
Other property, plant and equipment	8,961	(1,516)	7,445	6,915	(1,090)	5,825
Property, plant and equipment	8,961	(1,516)	7,445	6,915	(1,090)	5,825
Land and land improvements	1,137,697	(66,528)	1,071,168	1,239,062	(69,717)	1,169,345
Buildings, fixtures and fittings	1,029,225	(409,448)	619,777	1,065,974	(391,847)	674,126
Other property, plant and equipment	12,067	(9,593)	2,474	12,012	(9,079)	2,933
Fixed assets in progress	27,176	-	27,176	18,545	-	18,545
Investment properties	2,206,165	(485,570)	1,720,595	2,335,593	(470,643)	1,864,950



8.1.2 Change in intangible assets, property, plant and equipment, and investment properties

8.1.2.1 Change in intangible assets

(in thousands of euros)	Software	Other intangible assets	Total
At January 1, 2023	1,498	1,883	3,381
Increase and other acquisitions	27	902	929
Depreciation and amortization	(1,151)	-	(1,151)
Reclassifications and other movements	1,747	(1,762)	(15)
At December 31, 2023	2,122	1,022	3,144
Increase and other acquisitions	96	1,246	1,342
Depreciation and amortization	(1,044)	-	(1,044)
Reclassifications and other movements	658	(676)	(18)
AT DECEMBER 31, 2024	1,832	1,592	3,424

8.1.2.2 Change in property, plant and equipment

<i>(in thousands of euros)</i>	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Fixed assets in progress	Total
At January 1, 2023	23	3,056	612	1,052	4,743
Increase and other acquisitions	-	59	4	1,346	1,408
Depreciation and amortization	(1)	(201)	(142)	-	(343)
Disposals for the fiscal year	-	(20)	(27)	-	(48)
Reclassifications and other movements	-	416	298	(649)	64
At December 31, 2023	22	3,309	745	1,748	5,825
Increase and other acquisitions	-	607	4	1,439	2,050
Depreciation and amortization	(1)	(285)	(190)	-	(476)
Disposals for the fiscal year	-	(3)	-	-	(4)
Reclassifications and other movements	-	971	60	(982)	50
AT DECEMBER 31, 2024	22	4,599	619	2,205	7,445

Property, plant and equipment mainly comprise fixed assets used by the Group's central services as well as fixed assets related to the Group's developing activities through its two companies SAS Cap Cowork Mercialys and SAS Ocitô-La Galerie.

8.1.2.3 Change in investment property

<i>(in thousands of euros)</i>	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Property, plant and equipment in progress	Total
At January 1, 2023	1,188,224	698,764	3,469	16,690	1,907,148
Increase and other acquisitions ⁽¹⁾	4	3,918	1	16,321	20,243
Depreciation and amortization	(17,314)	(40,487)	(764)	-	(58,565)
Disposals for the fiscal year	(539)	(783)	(4)	-	(1,326)
Reclassification as assets held for sale	(2,115)	(874)	-	-	(2,989)
Reclassification and other movements ⁽²⁾	1,084	13,587	232	(14,466)	437
At December 31, 2023	1,169,345	674,126	2,933	18,545	1,864,950
Increase and other acquisitions ⁽¹⁾	1,785	9,167	102	13,582	24,635
Depreciation, amortization and impairment charges / reversals	8,349	(27,222)	(330)	-	(19,203)
Disposals for the fiscal year ⁽³⁾	(15,358)	(12,515)	(19)	25	(27,866)
Reclassification as assets held for sale (see Note 8.2, p. 161)	(92,569)	(29,291)	(8)	(20)	(121,889)
Reclassification and other movements ⁽²⁾	(384)	5,513	(204)	(4,957)	(32)
AT DECEMBER 31, 2024	1,071,168	619,777	2,474	27,176	1,720,595

⁽¹⁾ The item "Increase and other acquisitions" corresponds mainly to work carried out during 2024.

⁽²⁾ The item "Reclassification and other movements" corresponds primarily to the commissioning of buildings already recognized in the previous fiscal year under fixed assets in progress and to the reclassification as assets of investment properties held for sale.

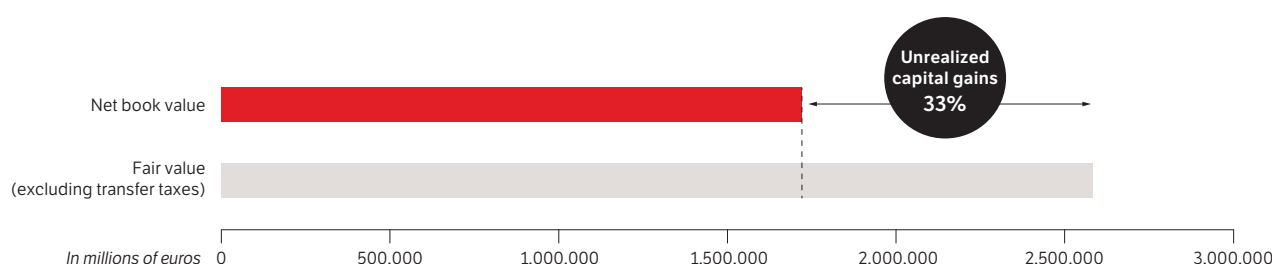
⁽³⁾ The line "Disposals for the fiscal year" corresponds to the disposal of the Montauban shopping center, the Rodez and Paris Massena assets and various dispersed assets that were not classified as assets held for sale in 2024. In 2023, these disposals corresponded to the disposal of dispersed assets that were not classified as assets held for sale (see Note 6.7, p. 153).

8.1.3 Fair value of investment property

These valuations concern all investment property held at December 31, 2024.

The valuation methods applied, described in Note 8, p. 156, remain unchanged.

	2024		2023	
(in thousands of euros)	Net book value	Fair value (excluding transfer taxes)	Net book value	Fair value (excluding transfer taxes)
Investment properties	1,720,595	2,583,670	1,864,950	2,690,898
Investment properties held for sale	-	-	1,400	1,400
TOTAL	1,720,595	2,583,670	1,866,350	2,692,298
Unrealized capital gains		33%		31%



In accordance with the recommendations of the French Financial Markets Authority (AMF) on the rotation of real estate appraisers, Mercialis launched a call for tenders in 2024 for the valuation of 12% of its assets. This call for tenders followed that carried out in 2022 for 83% of the assets to be valued.

It appointed new expert appraisers whose work began in the first half of 2024. Appraisers' fees are based on the number and size of the assets to be appraised, at the time of signing the three-year mandate.

This rotation led to a new real estate appraiser for 10% of Mercialis' assets to be valued (and 83% of the assets covered in the call for tenders).

At December 31, 2024, BNP Paribas Real Estate Valuation, Catella Valuation, Jones Lang LaSalle Value & Risk Advisory, CBRE and BPCE Expertises Immobilières updated their appraisal of Mercialis' portfolio:

- at December 31, 2024, BNP Paribas Real Estate Valuation had conducted appraisals at 17 sites, on the basis of a visit to 6 sites during the 2nd half of 2024, and based on an update of the appraisals carried out at June 30, 2024 for the other sites. 12 sites visits were carried out during the 1st half of 2024. The appraisals performed by BNP Paribas Real Estate Valuation represent Euro 1,702 million including transfer taxes (Euro 1,592.9 million excluding transfer taxes), or 61.7% of the portfolio;
- Catella Valuation had conducted appraisals of 12 sites as at December 31, 2024, based on an update of the appraisals from June 30, 2024. The appraisals performed by Catella Valuation represent Euro 178.9 million including transfer taxes (Euro 167.3 million excluding transfer taxes), or 6.5% of the portfolio;
- Jones Lang LaSalle Value & Risk Advisory had carried out appraisals of 5 sites as at December 31, 2024, on the basis of visits to the 5 sites during the second half of 2024. The appraisals carried out by Jones Lang LaSalle Value & Risk Advisory represent Euro 83.3 million including transfer taxes (Euro 78.0 million excluding transfer taxes), i.e. 3.0% of the portfolio;

- CBRE had conducted the appraisal of one asset as at December 31, 2024, based on a visit to the site during the second half of 2024. The appraisal performed by CBRE represents Euro 125.4 million including transfer taxes (Euro 117.3 million excluding transfer taxes) or 4.5% of the portfolio;
- BPCE Expertises Immobilières had conducted appraisals on 16 sites as at December 31, 2024, based on an update of the appraisals from June 30, 2023. The appraisals performed by BPCE Expertises Immobilières represent Euro 671.6 million including transfer taxes (Euro 628.2 million excluding transfer taxes), or 24.3% of the portfolio.

Fees correspond to registration fees payable on the sale of property upon signing of the deed of sale before a notary.

The valuation of investment property requires some judgment and estimates. The valuations determined by independent appraisers are based on level 3 non-observable data as defined by IFRS 13.

On this basis, the portfolio was valued at Euro 2,761.2 million including transfer taxes (Euro 2,583.7 million excluding transfer taxes) at December 31, 2024, compared to Euro 2,872.0 million including transfer taxes and Euro 2,692.3 million excluding transfer taxes at December 31, 2023.

The value of the portfolio including transfer taxes therefore dropped by 3.9% over the 12 months (and increased by 1.3% on a like-for-like basis). The average appraisal yield rate was 6.65% at December 31, 2024. The average appraisal yield rate was 6.61% at December 31, 2023.

The change in the fair value of assets excluding transfer taxes for fiscal year 2024 stems chiefly from:

- the effect of rental income on a like-for-like basis amounting to Euro + 89 million;
- the change in the average capitalization rate (reflecting the appraisers' assessments of the sustainability and recurrence of income generated by portfolio assets) which had an impact of Euro - 63 million;
- changes in the scope (acquisitions net of disposals) during the fiscal year amounting to Euro - 136 million;
- the CAPEX effect representing an impact of Euro + 1 million.

	Average yield rate	Average yield rate	Average yield rate
Type of real estate assets	12/31/2024	06/30/2024	12/31/2023
Regional and large shopping centers	6.44%	6.47%	6.34%
Neighborhood shopping centers	8.15%	7.99%	8.26%
Total portfolio ⁽¹⁾	6.65%	6.68%	6.61%

⁽¹⁾ Including other assets (independent cafeterias and other standalone units).

The following table presents the breakdown of Mercialys' real estate portfolio in terms of fair value and gross leasable area (GLA) by site category at December 31, 2024, as well as the corresponding appraised rental income:

Type of real estate assets	Number of assets at 12/31/2024	Appraisal value at 12/31/2024 (excluding transfer taxes)		Gross leasable area at 12/31/2024		Appraised net rental income	
		(€M)	(%)	(sq.m.)	(%)	(€M)	(%)
Regional and large shopping centers	25	2,240.6	86.7%	574,544	81.7%	154.3	84.0 %
Neighborhood shopping centers	19	331.1	12.8%	124,762	17.8%	28.9	15.7%
Subtotal	44	2,571.7	99.5%	699,306	99.4%	183.2	99.7%
Other sites ⁽¹⁾	2	12.0	0.5%	3,987	0.6%	0.5	0.3%
TOTAL	46	2,583.7	100.0%	703,293	100.0 %	183.6	100.0%

⁽¹⁾ Including other assets (independent cafeterias and other standalone units).

Due to the strong correlation between the capitalization rate and the discount rate in the appraisers' model, the sensitivity test for changes in the capitalization rates also shows the sensitivity to changes in the discount rate.

Based on an assumption of annual appraised potential net rental income of Euro 183.7 million and a capitalization rate of 7.11%:

Sensitivity criteria	Impact on appraisal value (excluding transfer taxes) (€M)
- 0.5% decrease in the capitalization rate	+ 195.5
+ 10% increase in rents	+ 258.4
+ 0.5% increase in the capitalization rate	- 169.8
- 10% decrease in rents	- 258.4

Fees charged to Mercialys for the appraisals detailed above amounted to Euro 170,000 for the fiscal year ended December 31, 2024, versus Euro 205,000 at December 31, 2023.

8.2 Investment properties held for sale

ACCOUNTING PRINCIPLE

Investment properties held for sale is stated at the lower of their book value and their fair value, less the costs of sale.

They are classified as assets held for sale if their book value is recovered primarily by means of a sale rather than continuing use.

This condition is deemed to have been met only if the sale is highly probable and the asset held for sale is available with a view to being sold immediately in its current state. Senior Management

must have planned to sell the asset, which in accounting terms should result in the conclusion of a sale within one year of the date of this classification.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer depreciated.

03

CHANGE IN INVESTMENT PROPERTIES HELD FOR SALE

<i>(in thousands of euros)</i>	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Property, plant and equipment in progress	Total
At January 1, 2023	-	-	-	-	-
Increases and other acquisitions	-	31	-	-	31
Reclassification as assets held for sale	2,115	874	-	-	2,989
Impairment	-	(206)	-	-	(206)
Disposals for the fiscal year	(1,001)	(412)	-	-	(1,414)
At December 31, 2023	1,114	286	-	-	1,400
Increases and other acquisitions	-	-	-	-	-
Reclassification as assets held for sale	92,569	29,291	8	20	121,889
Impairment	(4,347)	(3,462)	-	-	(7,810)
Disposals for the fiscal year	(89,336)	(26,115)	(8)	(20)	(115,479)
AT DECEMBER 31, 2024	-	-	-	-	-

In 2024, investment property held for sale totaled Euro 121.9 million and corresponded to 4 assets held via Hyperthetis and non-strategic dispersed assets for which preliminary sales agreements, with no financing conditions, had been signed. These assets were sold in 2024.

In 2023, investment property held for sale totaled Euro 1,400,000 and corresponded to non-strategic dispersed assets for which preliminary sales agreements, with no financing conditions, had been signed during the first half of 2023.

Note 9 Leases

PRINCIPLE

As lessee

The Group is a lessee in certain property leases which mainly consist of:

- leases on plots of land related to investment properties (mainly construction leases and long-term ground leases);
- commercial leases for offices.

The Group's leases are recognized in accordance with IFRS 16 – Leases, by taking into account the terms and conditions of the leases and all relevant facts and circumstances.

On the contract signing date, the Group determines whether the contract is (or contains) a lease, i.e. whether it conveys the right to control the use of a particular asset for a certain period of time in exchange for a consideration.

Leases are recorded on the lessee's statement of financial position and entail the recognition of:

- an asset representing the right to use the rented asset throughout the lease period. This asset is reported in the "Right-of-use assets" line of the consolidated statement of financial position;
- a liability representing the obligation to make lease payments over the same period, recorded in the "Current lease liabilities" and "Non-current lease liabilities" lines of the consolidated statement of financial position. Lease liabilities are not included in the Group's net financial debt.

Initial measurement

On the date on which the contract takes effect:

The lease liability is recognized for an amount equal to the present value of fixed future lease payments in relation to the estimated duration of lease, as determined by the Group.

Fixed future lease payments include the possible re-measurement of lease payments in relation to an index or growth rate laid down in the contract. They may also include the value of a purchase option or early termination penalties, if there is reasonable certainty that Mercialis will exercise such options. In addition, fixed payments include a deduction for any lease incentives to be received on the effective date of the lease.

The right-of-use asset corresponds to the value of the lease liability (after deduction of any lease incentives received from the lessor) plus advance lease payments, initial indirect costs, as well as the estimated cost of rehabilitation if this is obligation is provided for in the contract.

Subsequent measurement

The lease liability is measured at amortized cost, using the effective interest rate method.

The changes recorded in the lease-related debt are the following:

- an increase equivalent to the interest expense, determined by applying the discount rate to the debt at the beginning of the period. This interest expense is recognized in the income statement under "Other financial expenses";
- and decreased by the amount of the lease payments made.

The cash flows relating to the payment of the principal of lease-related debt and the associated interest are presented in the consolidated cash flow statement under cash flows from financing activities.

Besides the re-measurement of the liabilities in the event of contract amendments, liabilities relating to right-of-use assets are remeasured in the following cases:

- in the event of the revision of the contract duration;
- in the event of a change in the assessment of whether the exercise of a call option is reasonably certain (or not);
- in the event of a change in the amount of the payment expected under the residual value guarantee granted to the lessor;
- in the event of a change in variable rents based on a rate or an index, when the adjustment of the rate or index comes into effect (i.e. when the rents are actually modified).

In the first two cases, the debt is remeasured using a discount rate which is revised on the remeasurement date. In the last two cases, the discount rate used for the initial measurement remains unchanged.

The right-of-use is measured using the cost method and is amortized over the estimated duration of the lease, starting on the date on which the contract takes effect. This generates a straight-line amortization expense in the income statement. Moreover, in the event of a loss in value, the right-of-use asset is impaired in accordance with IAS 36 and is re-adjusted in the event of the re-measurement of lease liabilities.

In the event of early termination of a contract, any difference arising from the derecognition of the lease liabilities and the right-of-use is booked to the income statement under other operating income or other operating expenses.

Estimation of the term of the leases

The term of the lease corresponds to the period of execution of the contract (i.e. the period during which the contract cannot be terminated by the lessor, along with all renewal options provided for in the contract and available solely to the lessee). This term takes into account the termination and renewal options whose use by the Group is reasonably certain.

When estimating this reasonably certain duration, the Group takes into account all of the characteristics linked to the leased assets (location, offices, movable or immovable nature, economic horizon in terms of use, etc.). In general, the lease term starts on the initial contract date.

For commercial leases (3, 6 or 9 years) in particular, in accordance with the position paper published by the ANC on February 16, 2018, the Group recognizes the duration of execution as being 9 years from the lease start date.

Moreover, certain leases include tacit renewal clauses. For these leases, the Group is unable to reliably determine the estimated rental period beyond its strict contractual commitment, which is generally limited to a few months.

Determining the discount rate

In general, for each asset, the discount rate used for the calculation of the lease liability is determined on the basis of the incremental borrowing rate on the contract start date. This rate corresponds to the rate of interest that a lessee would have to pay, at the start of the lease, to borrow over a similar term and with a similar security, the funds necessary to acquire the asset in a similar economic environment.

Short-term low-value property leases

The Group has elected to apply one of the exemptions provided by the standard for short-term property leases (up to or equal to 12 months as from the initial lease start date).

The rents associated with these contracts are recognized in the consolidated income statement under operating expenses, just like the variable rents that are not included in the initial measurement of the lease liability. The cash flows associated with the payments made under these contracts are recognized in the consolidated cash flow statement under cash flows from operating activities.

As lessor

When the Group acts as the lessor, it determines at the beginning of each lease whether that lease is a finance lease or an operating lease.

Finance leases are recognized in the same way as a property sale to the tenant, financed by a loan granted by the lessor. The Group thus:

- derecognizes the leased asset in the statement of financial position;
- recognizes a financial receivable classified as "Financial assets at amortized cost", presented in the consolidated statement of financial position under "Other current assets" and "Other non-current assets" in an amount equal to the present value of the lease payments to be received (discounted using the interest rate implicit in the contract), to which is added any non-guaranteed residual value payable to the Group;
- breaks down the rental income between interest, which is recognized in the consolidated income statement under other financial income, and a capital amortization charge that reduces the amount of the receivable.

For operating leases, the lessor recognizes the leased assets under "Property, plant and equipment" in its statement of financial position and recognizes the lease payments received as income, in a linear fashion over the duration of the lease, under "Rental revenues" in the consolidated income statement.

9.1 Lessee

The information relating to such leases is presented hereunder.

9.1.1 Information on the statement of financial position

► COMPOSITION AND CHANGE IN RIGHT-OF-USE ASSETS

(in thousands of euros)	Land and land improvements	Buildings, fixtures and fittings	Other rights of use	Total
At January 1, 2023	5,216	4,426	541	10,184
Increases and reappraisals during the fiscal year	1,316	605	-	1,921
Depreciation and amortization	(347)	(974)	(166)	(1,487)
Disposals for the fiscal year ⁽²⁾	-	-	-	-
At December 31, 2023	6,185	4,054	375	10,615
Increases and reappraisals during the fiscal year ⁽¹⁾	419	5,579	-	5,998
Depreciation and amortization	(371)	(1,036)	(108)	(1,515)
Disposals for the fiscal year	(314)	-	-	(314)
AT DECEMBER 31, 2024	5,919	8,598	268	14,784

(1) The increase in right-of-use assets in 2024 corresponds to the renewal of the commercial lease for the office premises located in Paris as well as the impact of the indexation of rents which results in a reappraisal of the lease liability in exchange for the right of use.

(2) The disposal in 2024 of the right-of-use assets corresponds to the acquisition by Mercialys of the asset on the Saint-Etienne Monthieu site for which Mercialys was previously lessee.

9.1.2 Information on the income statement

At December 31, 2024, restated rental charges totaled Euro 1,688,000. These rents are replaced by a depreciation expense on right-of-use assets of Euro 1,515,000 (see Note 6.6, p. 153) and a financial interest expense on lease liabilities of Euro 360,000 (see Note 4.4, p. 149).

The amounts recognized in the income statement for the fiscal year concerning agreements excluded from lease liabilities represent Euro 57,000 and primarily relate to short-term or low value agreements.

9.1.3 Information on the cash flow statement

The total amount paid out during the fiscal year in respect of leases amounted to Euro 1,356,000.

Note 10 Other non-current assets

ACCOUNTING PRINCIPLE

Non-current assets consist essentially of financial assets available at fair value through other comprehensive income and amounts receivable from tenants under construction leases; in substance, the return of the construction by the tenant to the lessor at the end of the lease is considered to be an additional rent payable in kind and is spread over the term of the lease. At the end of the lease, when the asset is returned by the tenant, the accrued revenue is canceled by recognizing an equivalent amount as a long-term asset. Because the maturity of these financial assets is greater than one year at the outset, the amounts are discounted to present value.

<i>(in thousands of euros)</i>	Total	Financial assets at fair value through other comprehensive income ⁽¹⁾	Construction leases	Real estate guarantees	Non-current hedging assets ⁽²⁾	Loans and interest ⁽³⁾	Non-current prepaid expenses ⁽⁴⁾
At January 1, 2023	50,219	3,231	4,082	288	19,701	18,756	4,159
Increase	760	-	-	5	-	755	-
Change in fair value	(13,150)	(2,749)	-	-	(10,402)	-	-
Decrease	(454)	-	-	-	-	(454)	-
Discounting/Accretion	(110)	-	(110)	-	-	1	-
Other reclassifications and other movements	313	-	-	-	-	-	313
At December 31, 2023	37,577	482	3,972	293	9,299	19,058	4,473
Increase	763	-	-	20	-	744	-
Change in fair value	(5,141)	(15)	-	-	(5,128)	-	-
Decrease	(945)	-	-	(16)	-	(929)	-
Discounting/Accretion	(228)	-	(228)	-	-	1	-
Other reclassifications and other movements	(1,422)	-	-	-	-	-	(1,422)
DECEMBER 31, 2024	30,604	467	3,744	296	4,171	18,873	3,050

(1) Financial assets valued at fair value through other comprehensive income are primarily made up of shares in OPC I UIR II. This mutual fund is owned 80.01% by Union Investment and 19.99% by Mercialis. It operated an asset in Pessac which provided it with rental income.

This asset was sold on April 29, 2022. The decrease in fair value is linked to the capital reduction of the OPC I, carried out in the first half of 2023, for Euro 13.5 million. This company is now under liquidation.

(2) The fair value hedging derivative assets (interest rate risk hedge) are due to mature on August 28, 2025, February 27, 2026, November 3, 2027 and February 28, 2029 (see Note 14.2.3, p. 170).

(3) The change was related to accrued interest on the SCI AMR loan.

(4) Prepaid expenses are mainly composed of the costs of implementing software in SaaS mode when they are not distinct from said software.

Note 11 Impairment of non-current assets

ACCOUNTING PRINCIPLE

IAS 36 sets out the procedures that a business entity must follow to ensure that the net book value of its assets (intangible assets, property, plant and equipment and investment properties) does not exceed the recoverable amount, i.e. the amount that will be recovered by their use or sale.

The recoverable amount of an asset is estimated each time there is evidence that this asset may have lost its value.

Cash generating unit (CGU)

A cash generating unit is the smallest group of assets that includes an asset the continuing use of which generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group defines the CGU as the shopping center, i.e. the shopping center, hypermarkets and adjacent assets (large regional centers or neighborhood shopping centers).

Evidence of impairment

Assets are tested for impairment every six months. Investment property impairment tests are carried out at the level of the cash-generating unit, i.e. at the level of the site composed of shopping centers, medium-sized stores and hypermarkets.

When an asset is recorded as an asset held for sale, these tests may be performed on the asset to be sold, as the cash-generating unit approach no longer has any substance.

An impairment provision for investment property is recognized when an appraisal indicates a fair value, excluding transfer taxes, which has fallen below the net book value of the assets by more than 5% and when this difference in net book value can be considered as significant.

Measuring the recoverable amount

The recoverable amount of an asset is the higher value of:

- the fair value less costs, corresponding to the price that would be received for the sale of an asset or paid for the transfer of a liability, as part of a normal transaction between market operators on the date of the valuation; and
- the fair value excluding transfer taxes, measured by independent appraisers, corresponding to the discounted value of estimated future cash flows expected to arise from the ongoing use of the asset and from its disposal at the end of its useful life. It is determined in accordance with the two approaches described in Note 8, p. 156.

Loss of value

A loss of value is recognized as soon as the book value of an asset is higher than its recoverable amount. Losses of value are recognized under "Other operating expenses."

In some cases, the Group may have to recognize all or part of the loss of value recognized in previous years.

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Impairment of investment property

Based on the appraisals described in Note 8.1.3, p. 159 reversals of impairments on investment properties were recognized at the end of December 2024 for Euro 7.8 million in "Other operating expenses" (see Note 6.7, p. 153).

Note 12 Trade accounts and other receivables

ACCOUNTING PRINCIPLE

Trade receivables mainly comprise rental income receivable from lessees, lease rights and consulting services invoiced during the fiscal year.

These receivables are subject to a provisioning, the rate of which is determined according to the legal situation (safeguard procedure, legal redress with a distinction between frozen

receivables and subsequent receivables, judicial liquidation) of the tenants concerned, a distinction also being made between tenants present on the sites and those who have vacated their premises. In addition, a specific analysis carried out by the Company's asset management may result in a higher level of provisioning than the general rule.

(in thousands of euros)

	12/31/2024	12/31/2023
Trade accounts and other receivables	55,687	61,091
Impairment	(24,921)	(25,155)
TRADE ACCOUNTS AND OTHER RECEIVABLES, NET	30,766	35,936

Trade receivables at December 31, 2024 comprise rental income, lease rights and consulting services invoiced during the fiscal year.

Provisions for non-performing loans are determined by Mercialys and based on the legal framework for disputes with tenants in arrears.

The aging of trade receivables breaks down as follows:

<i>(in thousands of euros)</i>	Total	not yet due	In arrears for less than 3 months	In arrears for 3 to 6 months	In arrears for 6 to 12 months	In arrears for more than 12 months
At December 31, 2023						
Trade accounts and other receivables	61,091					
Assets not due and <u>not impaired</u>	1,317	1,317	-	-	-	-
Assets due and <u>not impaired</u> at closing date	26,282	-	16,968	1,481	1,927	5,905
<u>Impaired</u> assets	33,491	-	1,601	1,412	3,549	26,419
Impairment	(25,155)	-	(890)	(830)	(2,596)	(20,838)
AT DECEMBER 31, 2024						
Trade accounts and other receivables	55,687		-	-	-	-
Assets not due and <u>not impaired</u>	5,176	5,176				
Assets due and <u>not impaired</u> at closing date	15,767		5,636	519	5,724	3,889
<u>Impaired</u> assets	34,743	-	1,303	1,026	2,773	29,642
Impairment	(24,921)	-	(626)	(676)	(1,874)	(21,746)

Note 13 Other current assets

ACCOUNTING PRINCIPLE

Assets to be realized, consumed or sold in the course of the normal operating cycle or within twelve months of the closing date are classified as "current assets," as are assets held for sale, cash and cash equivalents. All other assets are classified as "non-current assets."

<i>(in thousands of euros)</i>	Note	12/31/2024	12/31/2023
Advances and down payments paid on orders		96	46
Receivables on assets		1,882	2,534
VAT credit		721	2,055
Other operating receivables ⁽¹⁾		17,285	17,980
Prepaid expenses		5,044	5,301
Current hedging instruments	14,2.4	2,020	3,987
OTHER CURRENT ASSETS		27,048	31,902

⁽¹⁾ Other operating receivables mainly consist of VAT receivables.

Note 14 Financial structure

14.1 Net financial expense

14.1.1 Net finance costs

ACCOUNTING PRINCIPLE

The expenses from net financial debt consist of all income and expenses arising on components of net financial debt during the reporting period, including the income and profit on the sale of cash equivalents, as well as interest charges relating to finance leases.

Net financial debt comprises all borrowings and financial liabilities including derivatives recognized using hedge accounting, less (i) cash and cash equivalents, (ii) derivatives with a positive fair value recognized using hedge accounting concerning borrowings and financial liabilities.

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(in thousands of euros)

	12/31/2024	12/31/2023
Cost of debt put in place	(46,955)	(34,909)
Impact of hedging instruments ⁽¹⁾	(4,288)	(3,286)
Gross finance costs	(51,243)	(38,194)
Income from cash and cash equivalents	6,727	3,185
(EXPENSES)/INCOME FROM NET FINANCIAL DEBT	(44,516)	(35,009)

(1) Mainly composed of interest on hedging instruments and the ineffectiveness of this hedging.

In 2024, the increase in net finance costs was linked primarily to the costs linked to the early buyback of the bond maturing in July 2027 for Euro 10.1 million, the additional amortization of premiums and hedging instruments costs for Euro 1.7 million, which were initially amortized using the effective interest rate method.

In 2023, income from cash and cash equivalents corresponded to interest on investments made by Mercialys.

14.1.2 Other financial income and expenses

ACCOUNTING PRINCIPLE

This concerns financial income and expenses that do not form part of the expenses from net financial debt. This item notably includes: non-use fees, costs related to undrawn bank debt, the fair value of derivative assets or liabilities held for trading, dividends received, interest on current accounts with companies outside of the Mercialys group and discounting adjustments.

(in thousands of euros)

	12/31/2024	12/31/2023
Other financial income	947	774
Financial income	947	774
Other financial expenses	(3,472)	(6,085)
Financial expenses	(3,472)	(6,085)
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	(2,526)	(5,311)

In 2024 and in 2023, other financial expenses consist mainly of non-use fees and costs associated with undrawn bank lines and the fair value of derivatives held for trading.

The decrease in financial expenses is related to the fair value of derivatives held for trading: Euro - 0.2 million at December 31, 2024, compared to Euro - 3.0 million at December 31, 2023.

Other financial income corresponds to interest on loans and current accounts for companies in which Mercialys has a minority interest.

14.2 Financial assets and liabilities

ACCOUNTING PRINCIPLE

Financial assets

Financial assets are initially recognized at fair value increased by transaction costs directly linked to their acquisition for the instruments which are not measured at fair value through profit or loss. The costs of acquiring financial assets measured at fair value through profit or loss are recorded in the income statement.

The breakdown of financial assets between current and non-current is determined according to their maturity at the closing date: less or more than one year.

The Group classifies its assets into three categories:

- amortized cost;
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss.

Financial assets at amortized cost

Financial assets are measured at amortized cost when they are not designated at fair value through the income statement, when they are held for the purpose of collecting the contractual cash flows, and when they give rise to cash flows that exclusively correspond to the repayment of the principal sum and interest payments ("SPPI" criterion).

These assets are measured at amortized cost, using the effective interest rate method, less loss of value. Interest income, impairment and profit and loss from derecognition are recorded in the profit or loss statement.

This category mainly includes trade receivables, cash and other loans and receivables.

Financial assets at fair value through other comprehensive income (OCI)

This category comprises mainly debt instruments, equity instruments and non-consolidated equity interests.

- debt instruments are measured at fair value through OCI if they are not designated at fair value through profit or loss, if they are held for the purpose of receiving contractual cash flows and being sold and if they give rise to cash flows that exclusively correspond to the repayment of the principal sum and interest payments ("SPPI" criterion). Interest income and impairments are recognized as profit or loss. Other net profits and losses are recognized as OCI. Upon derecognition, accumulated gains and losses in OCI are reclassified as income.
- equity instruments that are not held for trading may be measured at fair value through OCI. The Group can make the choice irrevocable on an investment-by-investment basis. Dividends are then recognized in the income statement unless they clearly represent the recovery of a portion of the cost of the investment. Other gains and losses are recognized as OCI and are never reclassified as profit or loss. The Group recognizes the non-consolidated equity interests of OPCIL UIR II in this category.

Financial assets at fair value through profit or loss

All other assets that are not classified as either at amortized cost or at fair value through OCI are measured at fair value through profit or loss. Net gains and losses, including interest and dividends received, are recognized as profit or loss.

This category mainly includes derivatives not qualified as hedging instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments.

To be eligible for classification as a cash equivalent in accordance with IAS 7, investments must meet four criteria:

- short-term investments;
- highly liquid investments;
- investments that are readily convertible to a known amount of cash;
- insignificant risk of changes in value.

Derecognition of financial assets

A financial asset is derecognized in the following two cases:

- the contractual rights to the cash flows from the asset have expired;
- those contractual rights have been transferred to a third party and the transfer meets certain conditions:
 - if the transferor has transferred practically all of the risks and rewards, the asset is derecognized in its entirety;
 - if the transferor has retained practically all of the risks and rewards, the asset continues to be fully recognized in the statement of financial position.

Financial liabilities

Definition

The breakdown of financial liabilities between current and non-current is determined according to their maturity at the closing date: less than or more than one year.

Financial liabilities measured at amortized cost

Borrowings and other financial liabilities at amortized cost are measured on issuance at fair value of the consideration received, then at amortized cost, calculated using the effective interest rate method. Transaction costs, issue premiums and redemption premiums directly related to the acquisition or issue of a financial liability are deducted from value of this financial liability. Costs are then amortized according to the lifetime of the liability, based on the effective interest rate method.

Within the Group, certain liabilities are amortized and particular borrowings are hedged.

Financial liabilities at fair value through the profit or loss statement

These represent derivatives (see below). They are measured at fair value and changes in fair value are recognized in the profit or loss statement.

Derivatives

Derivative instruments are shown in the statement of financial position at fair value.

Derivatives qualifying as hedges: recognition and presentation

The Group applies the option provided by IFRS 9 of applying hedge accounting:

- in the case of fair value hedges (e.g. fixed-rate bond swapped to variable rate), the debt is recognized at its fair value proportional to the risk hedged and any changes in fair value are recorded in income. The change in fair value of the derivative is recognized in the income statement. If the hedge is completely effective, the two effects cancel each other out completely;
- in the case of cash flow hedges (e.g. floating-rate bond swapped to fixed-rate), the effective portion of the change in fair value of the hedging instrument is recorded under other items of comprehensive income. The ineffective portion of the change in fair value of the derivative is entered in the comprehensive income and the effective portion within other comprehensive income and recognized in income when the hedged flows are recognized and in the same section and the hedged item: net financial expense.

Hedge accounting is applicable if:

- the hedging relationship is clearly defined and documented as at the date of inception; and
- the effectiveness of the hedge is demonstrated at inception for as long as it lasts.

Derivatives not qualifying as hedges: recognition and presentation

When a derivative financial instrument has not been (or is no longer) classified as a hedge, its successive changes in fair value are recognized directly in the income statement for the period, under "Other financial income and expenses".

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14.2.1 Net cash

(in thousands of euros)

	12/31/2024	12/31/2023
Cash	80,030	47,087
Cash equivalents	203,623	71,068
Gross cash	283,653	118,155
Bank overdrafts	-	-
CASH NET OF BANK OVERDRAFTS	283,653	118,155

The main cash flows that impacted the change in Mercialis' cash position over the period were as follows:

- net cash flow from operating activities during the period for Euro +161.5 million;
- cash inflows and outflows related to the disposal and acquisition of assets in 2024 for Euro +102.2 million;
- dividend payments to parent company shareholders and to non-controlling interests for Euro -153.5 million;
- issues and repayments of borrowings net of the change in outstanding commercial papers for Euro +96.7 million;
- net interest paid for Euro -36.7 million.

14.2.2 Financial liabilities

Net financial liabilities comprise borrowings and financial liabilities, including the fair value of the debt less cash and cash equivalents and fair value hedging derivatives.

Net financial liabilities amounted to Euro -1,002.9 million at December 31, 2024, versus Euro -1,063.6 million at December 31, 2023. These liabilities comprise the following:

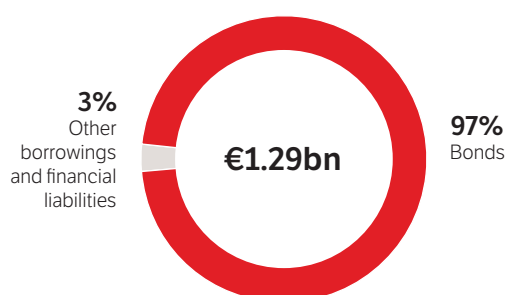
	12/31/2024			12/31/2023		
(in thousands of euros)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds	(1,244,600)	(17,700)	(1,262,300)	(1,144,678)	(18,368)	(1,163,046)
Other borrowings and financial liabilities	-	(42,000)	(42,000)	-	(42,000)	(42,000)
Bank overdrafts	-	-	-	-	-	-
Fair value of liabilities ⁽¹⁾	7,071	8,935	16,006	13,051	7,331	20,382
Gross financial debt	(1,237,529)	(50,765)	(1,288,294)	(1,131,627)	(53,037)	(1,184,664)
Fair value hedging derivatives – assets	(10)	1,728	1,717	(30)	2,944	2,914
Cash and cash equivalents	-	283,653	283,653	-	118,155	118,155
Cash and cash equivalents and other financial assets	(10)	285,381	285,371	(30)	121,099	121,069
NET FINANCIAL DEBT	(1,237,539)	234,616	(1,002,923)	(1,131,657)	68,062	(1,063,595)

⁽¹⁾ Certain hedging instruments were restructured in 2024 and 2023. The balances of Euro 3.7 million in 2024 and Euro 13.2 million in 2023 are spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

The counterparty risk, assessed by means of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) adjusts the mark-to-market. It is therefore deducted from assets or liabilities. The amount of credit risk (CVA) amounted to Euro - 30,000 (Euro - 10,000 for the non-current portion and Euro - 19,000 for the current portion) and (DVA) to Euro 345,000 (Euro 254,000 for the non-current portion and Euro 91,000 for the current portion) at December 31, 2024.

The main flows that impacted the change in financial liabilities were the repayment and issue of bonds for a net amount of Euro - 100 million (see Note 14.2.3, p. 170).

► BREAKDOWN OF GROSS FINANCIAL LIABILITIES



14.2.3 Bonds

The change in bonds over fiscal year 2024 was linked in particular to the placement of a new bond issue in September 2024 for Euro 300 million, with a 7-year maturity and 4.0% coupon. With this latest bond issue, an issue premium was recorded for Euro - 1.8 million, along with issue costs of Euro - 1.5 million. As for the other bonds, these issue costs are spread in line with the effective interest method over the term of the new bond issue.

In addition, Mercialys exercised the early redemption option on the bond maturing in July 2027 for a residual nominal amount of Euro 200 million. In accordance with IFRS 9, this transaction constitutes an extinguishment of debt. The redemption premium was recognized as a financial expense.

At December 31, 2024, the amount of bond financing totaled Euro 1,250 million, divided into four issues:

- a Euro 300 million bond issue, yielding a fixed rate of 4.0% and maturing in September 2031;
- a Euro 500 million bond issue, yielding a fixed rate of 2.5% and maturing in February 2029;
- a Euro 150 million bond issue, yielding a fixed rate of 2.0% and maturing in November 2027;
- a Euro 300 million bond issue, yielding a fixed rate of 1.8% and maturing in February 2026.

These bonds are subject to the standard commitment and default clauses customarily included in this type of agreement: pari passu ranking, a negative pledge clause that limits the security that can be granted to other lenders, and a cross-default obligation.

Furthermore, if the rating is downgraded following a change of control (see definition below), Mercialys bondholders may request redemption of their share.

A rating downgrade is defined as a lowering of the rating by a rating agency, a downgrade of the rating to non-investment grade (i.e. a downgrade of at least two notches relative to the current rating) or, if the rating is already non-investment grade, a downgrade of at least one notch. The rating downgrade must be explicitly linked to the change of control of the Company.

14.2.4 Hedging transactions

In addition, Mercialys introduced an interest rate hedging policy in October 2012 by means of a swap agreement, in order to hedge its interest rate risk. These hedging instruments are recognized in accordance with the fair value hedging method.

In 2024, some instruments were restructured and Mercialys took out a new cash flow hedge. The balance of Euro 3.7 million is spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

In 2023, no new hedging instruments were taken out. Some instruments were restructured. The balance of Euro 13.2 million is spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

In 2024, 99% of Mercialys' debt was hedged.

14.2.5 Confirmed credit lines

At the end of December 2024, the Mercialys group's confirmed credit lines amounted to Euro 385 million, of which:

- a Euro 180 million revolving bank credit line, maturing in June 2027;
- five confirmed bank credit lines for a total amount of Euro 205 million, maturing between July 2026 and December 2028 (Euro 30 million and Euro 40 million will mature in July 2026, Euro 45 million will mature in December 2026, Euro 40 million will mature in June 2027 and Euro 50 million will mature in December 2028).

14.2.6 Commercial papers

A Euro 500 million commercial papers program was set up in the second half of 2012. It has been used since 2014. The outstanding commercial papers amounted to Euro 42 million at December 31, 2024. This figure is unchanged from December 2023.

14.2.7 Financial covenants

Mercialys' financial liabilities are subject to default clauses (early repayment) in the event of failure to comply with the following financial ratios:

- LTV (Loan-To-Value): Net financial debt/(Fair value excluding portfolio transfer taxes + Market value of investments in equity associates) < 55% at each closing date;
- ICR (Interest Coverage Ratio): Consolidated EBITDA ⁽¹⁾/Net finance costs > 2x at each closing date;
- secured debt/consolidated fair value of investment properties excluding transfer taxes < 20% at any time;
- consolidated fair value of investment properties excluding transfer taxes > Euro 1 billion at all times.

(1) EBITDA: Earnings before interest, taxes, depreciation, and amortization.

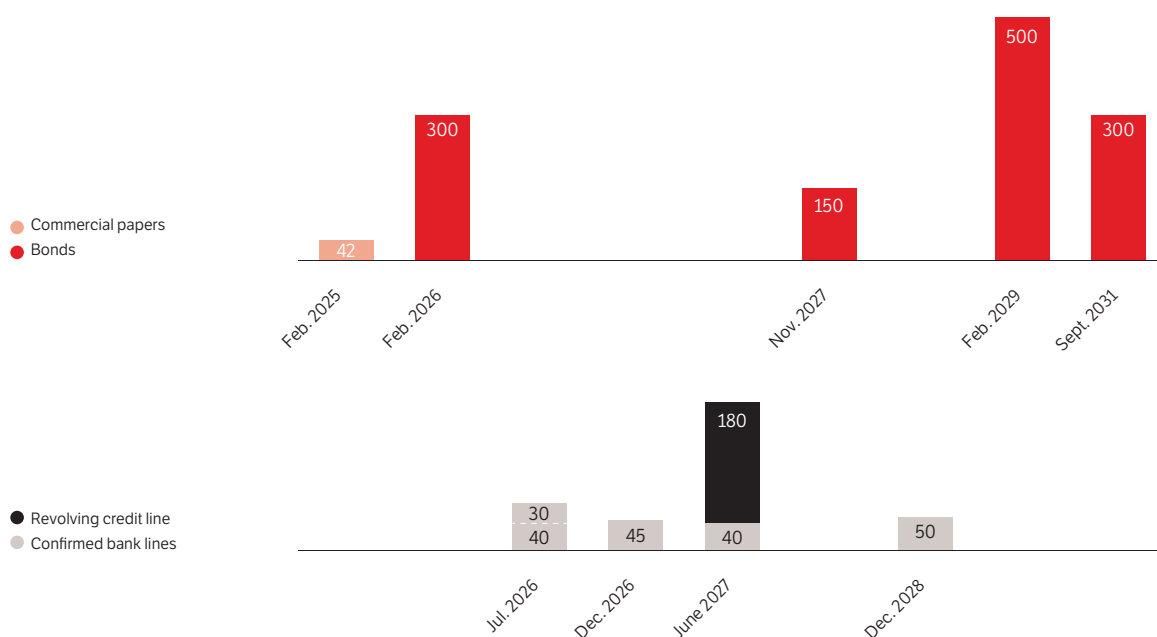
Change of control clauses also apply.

	Covenants	12/31/2024	12/31/2023
Loan To Value (LTV)	< 55%	38.2%	38.9%
Interest Coverage Ratio (ICR)	2x	5.5x	5.1x

At December 31, 2024, the two other contractual covenants (Secured debt/Consolidated fair value of investment properties excluding transfer taxes, and Consolidated fair value of investment properties excluding transfer taxes), as well as the commitment and default clauses, were also complied with.

► MATURITY OF BOND DEBT AT DECEMBER 31, 2024 AND UNDRAWN FINANCIAL RESOURCES

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Note 15 Trade payables

At December 31, 2024 and 2023, trade payables mainly consisted of unpaid invoices and outstandings relating to the supplier Sudeco (property manager acting on behalf of Mercialys).

Note 16 Other current liabilities and tax liability

ACCOUNTING PRINCIPLE

Liabilities to be settled during the course of the normal operating cycle or within twelve months of the closing date are classified as "current liabilities." The Group's normal operating cycle is twelve months.

(in thousands of euros)	12/31/2024	12/31/2023
Amounts payable on fixed assets and related accounts	3,397	3,540
Advances and down payments received on orders	2,028	1,052
Tax and social security liabilities	19,330	20,481
Other liabilities	2,614	3,570
Prepaid income	4,015	4,297
Other current liabilities	31,384	32,940
Current tax liabilities	390	95
Current tax liabilities	390	95

At December 31, 2024 and December 31, 2023, the amounts payable in respect of fixed assets concerned invoices not yet received at the end of the fiscal year. Prepaid income relates to the deferring of lease rights.

Note 17 Breakdown of financial assets and liabilities by instrument category

17.1 Financial assets

At December 31, 2024

(in thousands of euros)	Balance sheet value under IFRS 9						
	Book value on the balance sheet (A)	Non-financial assets (B)	Financial assets value (A) - (B)	Hedging instruments	Loans and receivables	Financial assets measured at fair value through the other items of comprehensive income	Fair value
Other non-current assets	30,604	3,744	26,859	4,171	22,221	467	30,604
Trade receivables	30,766	-	30,766	-	30,766	-	30,766
Other current assets	27,048	12,394	14,654	2,020	12,634	-	27,048
Cash and cash equivalents	283,653	-	283,653	-	283,653	-	283,653

The main measurements used are: the fair value of cash, of trade receivables and of other current financial assets is the same as their book value on the balance sheet, given the short maturities of these receivables.

The fair value measurement methods used with regard to available-for-sale assets, derivatives, and cash and cash equivalents are described in Note 18, p. 174.

At December 31, 2023

(in thousands of euros)	Balance sheet value under IFRS 9						
	Book value on the balance sheet (A)	Non-financial assets (B)	Financial assets value (A) - (B)	Hedging instruments	Loans and receivables	Financial assets measured at fair value through the other items of comprehensive income	Fair value
Other non-current assets	37,577	3,972	33,605	9,299	23,825	482	37,577
Trade receivables	35,936	-	35,936	-	35,936	-	35,936
Other current assets	31,902	14,561	17,341	3,987	13,354	-	31,902
Cash and cash equivalents	118,155	-	118,155	-	118,155	-	118,155

17.2 Financial liabilities
At December 31, 2024

(in thousands of euros)	Balance sheet value under IFRS 9						
	Book value on the balance sheet (A)	Non-financial liabilities (B)	Financial liabilities value (A) - (B)	Liabilities valued at fair value through profit or loss	Hedging instruments	Liabilities measured at amortized cost	Fair value
Bonds	1,262,300	-	1,262,300	-	-	1,262,300	1,245,714
Other borrowings and financial liabilities ⁽¹⁾	42,000	-	42,000	-	-	42,000	42,000
Lease liabilities	15,195	-	15,195	-	-	15,195	15,195
Fair value hedging derivative liabilities ⁽²⁾	(16,006)	-	(16,006)	-	(16,006)	-	(16,006)
Deposits and guarantees	29,424	-	29,424	-	-	29,424	29,424
Trade payables	10,916	-	10,916	-	-	10,916	10,916
Other non-current liabilities	4,675	-	4,675	-	4,101	575	4,675
Other current liabilities	31,384	12,725	18,659	-	12	18,648	31,384
Bank overdrafts	-	-	-	-	-	-	-

(1) Other borrowings and financial liabilities correspond to commercial papers (see Note 14.2.6, p. 170).

(2) Certain hedging instruments were restructured in 2024 and 2023. The balances of Euro 3.7 million and Euro 13.2 million respectively are spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

The counterparty risk, assessed by means of a Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) adjusts the mark-to-market. It is therefore deducted from assets or liabilities. The amount of credit risk (CVA) was Euro - 30,000 and (DVA) was Euro 345,000 at December 31, 2024.

At December 31, 2023

(in thousands of euros)	Balance sheet value under IFRS 9						
	Book value on the balance sheet (A)	Non-financial liabilities (B)	Financial liabilities value (A) - (B)	Liabilities valued at fair value through profit or loss	Hedging instruments	Liabilities measured at amortized cost	Fair value
Bonds	1,163,046	-	1,163,046	-	-	1,163,046	1,090,581
Other borrowings and financial liabilities ⁽¹⁾	42,000	-	42,000	-	-	42,000	42,000
Lease liabilities	10,860	-	10,860	-	-	10,860	10,860
Fair value hedging derivative liabilities ⁽²⁾	(20,382)	-	(20,382)	-	(20,382)	-	(20,382)
Deposits and guarantees	24,935	-	24,935	-	-	24,935	24,935
Trade payables	9,265	-	9,265	-	-	9,265	9,265
Other non-current liabilities	4,834	-	4,834	-	4,619	215	4,834
Other current liabilities	32,940	13,647	19,509	-	337	12,122	32,940
Bank overdrafts	-	-	-	-	-	-	-

(1) Other borrowings and financial liabilities correspond to commercial papers (see Note 14.2.6, p. 170).

(2) Certain hedging instruments were restructured during 2023. The balance of Euro 13.2 million is spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

The counterparty risk, assessed by means of a Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) adjusts the mark-to-market. It is therefore deducted from assets or liabilities. The amount of credit risk (CVA) was Euro - 78,000 and (DVA) was Euro 911,000 at December 31, 2023.

Note 18 Fair value hierarchy

The Group has identified three categories of financial instrument based on the two valuation methods used (quoted prices and valuation techniques). The Group uses this classification as the basis for presenting the characteristics of financial instruments recognized in the balance sheet at fair value at the closing date:

- level 1: financial instruments traded in an active market;
- level 2: financial instruments the fair value of which is determined using valuation techniques drawing on observable market inputs;
- level 3: financial instruments all or part of the fair value of which is determined using valuation techniques based on non-observable inputs.

The tables below show financial assets and liabilities stated at fair value according to the following three categories:

At December 31, 2024

(in thousands of euros)	Book value	Fair value	Market price = level 1	Models with observable parameters = level 2	Models with non-observable parameters = level 3
Assets					
Financial assets at fair value through other comprehensive income	467	467	-	-	467
Fair value hedging derivatives – assets (current and non-current)	1,717	1,717	-	1,717	-
Other derivative assets (current and non-current)	4,474	4,474	-	4,474	-
Cash equivalents	283,653	283,653	283,653	-	-
Liabilities					
Bonds	1,262,300	1,245,714	1,245,714	-	-
Other derivative liabilities (current and non-current)	4,113	4,113	-	4,113	-
Fair value hedging derivative liabilities (current and non-current) ⁽¹⁾	(16,006)	(16,006)	-	(16,006)	-

(1) Certain hedging instruments were restructured in 2023 and 2024. The balances of Euro 3.7 million in 2024 and Euro 13.2 million in 2023 are spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

The counterparty risk, assessed by means of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) adjusts the mark-to-market. It is therefore deducted from assets or liabilities. The amount of credit risk (CVA) was Euro - 30,000 at December 31, 2024.

At December 31, 2023

(in thousands of euros)	Book value	Fair value	Market price = level 1	Models with observable parameters = level 2	Models with non-observable parameters = level 3
Assets					
Financial assets at fair value through other comprehensive income	482	482	-	-	482
Fair value hedging derivatives – assets (current and non-current)	2,914	2,914	-	2,914	-
Other derivative assets (current and non-current)	10,372	10,372	-	10,372	-
Cash equivalents	118,155	118,155	118,155	-	-
Liabilities					
Bonds	1,163,046	1,090,581	1,090,581	-	-
Other derivative liabilities (current and non-current)	4,956	4,956	-	4,956	-
Fair value hedging derivatives – liabilities (current and non-current)	(20,382)	(20,382)	-	(20,382)	-

18.1 Financial assets at fair value through other comprehensive income

Assets measured at fair value through comprehensive income mainly comprise shares in OPCI UIR II, the fair value of which has been determined on the basis of their liquidation value. This is a level 3 valuation.

18.2 Derivative financial instruments

Derivative instruments are valued externally using the usual valuation techniques for financial instruments of this kind. The valuation models include observable market inputs – in particular the yield curve – and the quality of the counterparty. These fair value measurements are generally category 2.

18.3 Bonds

Fair value has been determined for listed bonds on the basis of the last quoted price as at the balance sheet closing date. This is a level 1 valuation.

Note 19 Financial risk management

19.1 Credit risk

The Group's exposure to credit risk is the risk of financial loss in the event that a customer (the tenants) or the counterparty to a financial instrument fails to fulfill its contractual obligations.

The Mercialis group's exposure to credit risk is affected by the statistical profile of its tenants. On signing lease contracts, tenants provide financial securities in the form of guarantee or surety deposits, generally representing three months' rent.

At December 31, 2024, trade receivables amounted to Euro 30.8 million (see Note 12, p. 165). The structure of trade receivables is highly fragmented.

19.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in paying its debts when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid assets to honor its liabilities when they fall due without incurring unacceptable losses or causing damage to the Group's reputation.

Mercialys has no short-term liquidity risk. At December 31, 2024, it had net cash of Euro 283.6 million.

The Group has bank lines totaling Euro 385 million (undrawn as of December 31, 2024).

The following table shows the repayment schedule for financial liabilities as at December 31, 2024, for their nominal amount including interest and excluding discounting.

At December 31, 2024

	Expiry of contracts					Total	Amount recognized in the balance sheet
	Amount due in less than 1 year	Amount due between 1 and 2 years	Amount due between 2 and 3 years	Amount due between 3 and 5 years	Amount due in more than 5 years		
(in thousands of euros)							
Bonds and other borrowings excluding derivatives and finance leases	74,900	332,900	177,500	549,000	324,000	1,458,300	1,304,300
Trade payables and other financial liabilities	29,564	51	-	-	29,424	59,039	59,039
Lease liabilities	1,204	1,141	1,173	2,445	9,232	15,195	15,195
Non-derivative financial instruments – liabilities:							
Interest rate derivatives							
Derivative contracts – received	10,996	5,344	4,406	2,903	463	24,112	
Derivative contracts – paid	(8,756)	(8,139)	(7,520)	(4,886)	(2,526)	(31,828)	
Derivative financial instruments assets/(liabilities)	2,240	(2,795)	(3,114)	(1,983)	(2,064)	(7,716)	

At December 31, 2023

(in thousands of euros)	Expiry of contracts					Total	Amount recognized in the balance sheet
	Amount due in less than 1 year	Amount due between 1 and 2 years	Amount due between 2 and 3 years	Amount due between 3 and 5 years	Amount due in more than 5 years		
Bonds and other borrowings excluding derivatives and finance leases	72,150	30,150	330,150	374,750	525,000	1,332,200	1,205,046
Trade payables and other financial liabilities	21,724	-	-	-	24,935	46,659	46,659
Lease liabilities	1,162	1,217	1,250	2,442	5,563	10,299	10,299
Non-derivative financial instruments – liabilities:							
Interest rate derivatives							
Derivative contracts – received	11,283	6,756	4,792	7,088	456	30,375	
Derivative contracts – paid	(8,197)	(7,648)	(7,867)	(12,015)	(2,646)	(38,373)	
Derivative financial instruments assets/(liabilities)	3,086	(892)	(3,075)	(4,927)	(2,190)	(7,998)	

19.3 Market risk

Market risk is the risk that changes in market prices – such as exchange rates, interest rates and the prices of equity instruments – will adversely affect the Group's net income or the value of the financial instruments that it holds.

The Group's exposure to interest rate risk relates to the borrowings described in Note 14, p. 167.. To manage its exposure to the risk of changes in interest rates, the Group uses derivative financial instruments (interest rate swaps).

The risk of an increase in interest rates must be analyzed in connection with the hedging policy put in place by Mercialys through derivative financial instruments. A sensitivity analysis is provided hereafter.

Mercialys operates solely in France (mainland and Reunion Island) and therefore is not exposed to currency risk.

In the first half of 2006, Mercialys entered into a liquidity agreement with Oddo & Cie, with an initial deposit of Euro 1,600,000 in accordance with regulation (EC) No. 2273/2003. Under this contract, the cash funds under management are invested in money-market funds. Cash funds are classified as cash equivalents. No losses were incurred on these funds in 2024 or 2023.

ASSESSMENT OF SENSITIVITY TO INTEREST RATE RISK

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Bank overdrafts	-	-
Total floating-rate debt (excluding accrued interest) ⁽¹⁾	-	-
Cash equivalents	203,623	71,068
Cash	80,030	47,087
Total assets	283,653	118,154
Net position before management	(283,653)	(118,154)
Derivatives	155,000	200,000
Net position after management	(128,653)	81,846
Net position to be renewed	(128,653)	81,846
1% change	(1,287)	818
Average maturity remaining until the end of the fiscal year	1	1
Change in interest expenses	(1,287)	818
Net finance costs	44,516	35,099
Impact of changes in financial expenses/financial costs	- 2.89%	2.34%

⁽¹⁾ The maturity of assets and liabilities at revisable rates is that of the revised rate. Debt not exposed to interest rate risk – primarily accrued interest not yet due – is not included in this calculation.

► ASSESSMENT OF SENSITIVITY TO INTEREST RATE RISK ON DERIVATIVE INSTRUMENTS:

Sensitivity criteria	Impact on pre-tax income (in thousands of euros)
Impact of a + 1% change in interest rates	- 43
Impact of a - 1% change in interest rates	- 97

The sensitivity to interest rate risk on derivative instruments takes into account the restructuring operations implemented in December 2024.

Note 20 Equity and earnings per share

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ACCOUNTING PRINCIPLE

How a financial instrument issued by the Group is classified in equity depends on the characteristics of that instrument.

Costs attributable to equity transactions or transactions in own equity instruments are recorded as a deduction from equity, net of tax. Other transaction costs are recognized as expenses of the fiscal year.

Treasury shares are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity, with the result that any gains or losses on disposal, net of the related tax effect, have no impact on the net income for the fiscal year.

20.1 Share capital

On December 31, 2024, the share capital stood at Euro 93,886,501. It consists of 93,886,501 fully paid shares with a par value of Euro 1 each.

(number of shares)	12/31/2024	12/31/2023
Beginning of the fiscal year	93,886,501	93,886,501
End of the fiscal year	93,886,501	93,886,501

(in thousands of euros)	12/31/2024	12/31/2023
Beginning of the fiscal year	93,887	93,887
End of the fiscal year	93,887	93,887

At December 31, 2024, the number of treasury shares stood at 818,858, representing Euro 7,974,000. Expenses from the disposal of treasury shares amounted to Euro 797,000, net of tax, for the fiscal year ended December 31, 2024 and were recognized directly in Group equity.

At December 31, 2023, the number of treasury shares stood at 608,389, representing Euro 5,323,000. Income on the disposal of treasury shares totaled Euro 348,000, net of tax, for the fiscal year ended December 31, 2023, and was recognized directly in Group equity.

20.2 Capital management

The Group's policy is to maintain a solid base of equity capital in order to retain the confidence of investors, creditors and the market, and to support the future growth of the business. The Group pays close attention to the number and diversity of shareholders, the yield rate on equity, the level of dividend paid to shareholders and the liquidity of its shares.

Occasionally the Group makes open market purchases of its own shares. These purchases are made for the purposes of ensuring liquidity in the market for Mercialis shares, holding its own shares for later use in payment or exchange for business acquisitions, and covering the need to provide shares for share purchase or subscription options awarded to employees and corporate officers and for bonus shares awarded to employees and executives.

Neither the Company nor its subsidiaries are subject to any specific capital adequacy requirements imposed by law or regulation.

20.3 Earnings per share

ACCOUNTING PRINCIPLE

Basic earnings per share are calculated on the basis of the weighted average number of shares in circulation during the fiscal year, less any treasury shares.

Diluted earnings per share are calculated using the treasury stock method. Under this method, the denominator also includes the number of potential shares arising from the conversion or exercise of any dilutive instruments (warrants, options, etc.), less the

number of shares that could be repurchased at market price with the proceeds received upon exercise of the instruments concerned. Market price means the average price of the share during the fiscal year.

Own equity instruments are included only if they would have a dilutive effect on earnings per share.

20.3.1 Basic earnings, attributable to owners of the parent

(in thousands of euros)

	12/31/2024	12/31/2023
Net income attributable to owners of the parent	53,759	53,373
Weighted average number of		
• outstanding shares during the period	93,886,501	93,886,501
• treasury shares	(450,770)	(581,144)
Total number of shares before dilution	93,435,731	93,305,357
BASIC EARNINGS PER SHARE, ATTRIBUTABLE TO OWNERS OF THE PARENT (in euros)	0.58	0.57

20.3.2 Diluted earnings, attributable to owners of the parent

(in thousands of euros)

	12/31/2024	12/31/2023
Net income attributable to owners of the parent	53,759	53,373
Weighted number of shares before dilution	93,435,731	93,305,357
Number of shares after dilution ⁽¹⁾	93,435,731	93,305,357
DILUTED EARNINGS PER SHARE, ATTRIBUTABLE TO OWNERS OF THE PARENT (in euros)	0.58	0.57

(1) The bonus shares awarded were part of the stock of existing bonus shares. Consequently, this award did not have a dilutive effect.

20.4 Share-based payments

ACCOUNTING PRINCIPLE

The fair value determined on the date when the rights to payment – based on shares paid in equity instruments awarded to employees – are expensed, as an increase in equity, over the vesting period of the rights. The amount recognized as expenses is adjusted to reflect the number of rights for which it is considered that the non-market related conditions of service and performance are met, such that the amount ultimately recognized is based on the actual number of rights that meet the non-market related conditions of service and performance on the vesting date. For rights to payment based on shares combined with other

conditions, the measurement of fair value on the grant date reflects these conditions, and the differences between the estimate and the actual payment will not result in a subsequent adjustment.

The fair value of bonus shares is likewise determined as a function of plan characteristics and market data at the award date and assuming employment throughout the vesting period. If the plan specifies no vesting conditions, the expense is recognized in full when the grant is awarded. Otherwise, the expense is spread over the vesting period as the conditions are fulfilled.

Since December 1, 2005, the Group has set up bonus share plans in Mercialis shares for the benefit of employees and executives.

The vesting of bonus share plans is subject to the beneficiary being present at the end of the allocation period.

Allocation dates	04/28/2022	04/28/2022	04/27/2023	04/27/2023	04/27/2023	04/25/2024	04/25/2024	04/27/2024
End of allocation period	04/28/2025	04/28/2025	04/27/2026	04/27/2026	04/27/2025	04/25/2027	04/25/2027	04/25/2026
End of holding period	04/29/2027	04/29/2027	04/28/2028	04/28/2028	04/27/2025	04/26/2029	04/26/2029	04/25/2026
Share price at the allocation date (€)	9.55	9.55	8.89	8.89	8.89	11.3	11.3	11.3
Number of beneficiaries	2	12	2	13	155	2	14	151
Number of bonus shares awarded at inception	120,437	60,000	120,240	63,000	15,500	80,585	41,300	15,500
Fair value of bonus share (€)	5.66	5.87	5.11	5.25	7.01	8.12	8.15	9.26
Selected performance rate	129%	135%	128%	128%	100%	115%	115%	100%
NUMBER OF SHARES OUTSTANDING BEFORE APPLICATION OF THE PERFORMANCE CRITERIA AT DECEMBER 31, 2024	120,437	58,500	120,240	61,500	10,600	103,748	61,950	13,300

Bonus shares only vest subject to a criterion and when the Company's performance criteria have been met, assessed over a defined period that results in the determination of the percentage of shares vested.

The performance criteria applied include:

- the relative performance of the Mercialis share, including dividends (relative TSR);
- organic growth in rental income and RNI (recurring net income) growth;
- the CDP (Carbon Disclosure Project) rating;
- the percentage of the portfolio achieving BREEAM In-Use certification (CSR criterion);
- reduction at three years of carbon intensity per unit area.

20.4.1 Bonus share plans

Bonus shares currently vesting	Number of shares, current
Outstanding shares at January 1, 2023	486,130
Shares awarded	198,740
Shares canceled	(72,914)
Shares issued	(104,567)
Outstanding shares at December 31, 2023	507,389
Shares awarded	180,798
Shares canceled	(6,546)
Shares issued	(131,366)
OUTSTANDING SHARES AT DECEMBER 31, 2024	550,275

20.4.2 Impact on income and equity of share-based compensation

For the fiscal year ended December 31, 2024, this share-based compensation generated income of Euro 880,000 recognized under "Personnel expenses." In 2023, the share plans generated an expense of Euro 763,000, which was also recognized under "Personnel expenses."

20.5 Non-controlling interests

Condensed financial information about the main subsidiaries with non-controlling interests

The information presented in the table below complies with IFRS and is adjusted, if necessary, to reflect fair value revaluations on the date when control is lost or gained and restatements to bring the accounting principles in line with those of the Group. The amounts are presented before eliminations of reciprocal accounts and transactions.

03. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated financial statements

	2024		2023	
	SAS Hyperthetis Participations	SAS Immosiris	SAS Hyperthetis Participations	SAS Immosiris
<i>(in thousands of euros)</i>				
% interest	51%	51%	51%	51%
Net rental income	13,261	7,298	16,490	7,075
Operating income	(591)	5,482	(19,529)	5,898
Net financial expense	1,490	168	102	43
Tax	(407)	(55)	(53)	(17)
Net income	492	5,595	(19,480)	5,924
Investment properties	100,017	136,793	222,179	136,857
Other non-current assets	-	-	-	23
Non-current assets	100,017	136,793	222,179	136,880
Trade receivables	1,763	859	1,261	1,204
Other current assets	1,767	736	1,015	125
Cash and cash equivalents	23,565	8,729	16,274	8,887
Current assets	27,095	10,324	18,551	10,216
TOTAL ASSETS	127,112	147,117	240,726	147,096
Equity	123,844	143,415	239,751	145,700
Of which non-controlling interests (see Note 3.4, p. 146)	60,684	70,273	117,478	71,393
Other non-current liabilities	1,100	1,680	335	1,076
Non-current liabilities	1,100	1,680	335	1,076
Trade payables	919	-	174	16
Other current liabilities	1,250	2,023	470	304
Current liabilities	2,169	2,023	643	320
TOTAL EQUITY AND LIABILITIES	127,112	147,117	240,729	147,096

In 2023, the loss attributable to non-controlling interests is mainly related to the recognition of provisions for impairment on investment property attributable to non-controlling interests.

Note 21 Dividends

Dividends for fiscal year 2023

Out of 93,886,501 shares at December 31, 2023, 93,578,963 shares benefited from the dividend awarded in respect of the fiscal year ended December 31, 2023 (307,538 treasury shares not entitled to dividends).

The Company paid its shareholders a gross dividend of Euro 0.99 per share in respect of the fiscal year ended December 31, 2023, representing a total of Euro 93,643,000.

Dividends for fiscal year 2024

The Board of Directors of Mercialis will propose to the General Meeting of April 29, 2025 the payment of a dividend of Euro 1.00 per share, i.e. Euro 93,887,000 for 93,886,501 shares.

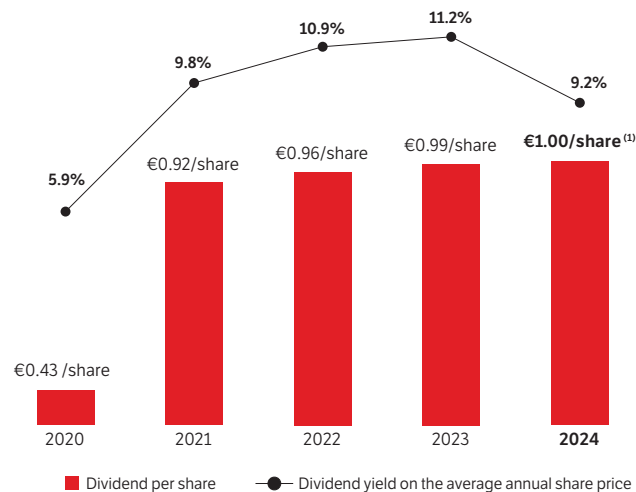
This dividend proposal comprises the distribution obligation under REIT status concerning tax-exempt profits from:

- the leasing or subletting of properties;
- the distribution at 70% of the tax-exempt profits for fiscal year 2024 from the disposal of properties and investments in real estate companies;
- the distribution of the tax-exempt income recorded in the Company's balance sheet.

The ex-dividend date will be May 2, 2025, with the dividend paid on May 6, 2025.

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■ DIVIDEND PAYMENT AND YIELD HISTORY



(1) Subject to approval by the General Meeting of April 29, 2025.

Note 22 Provisions

ACCOUNTING PRINCIPLE

Post-employment benefits

The companies of the Group participate in the instituting of different kinds of benefits for their employees.

In connection with defined contribution plans, the Group is not obliged to make additional payments in addition to the contributions already paid into a fund if the latter does not have sufficient assets to provide the benefits corresponding to the service provided by the employee during current and prior periods. For these plans, contributions are recognized as expenses when they are incurred. Defined contribution plans correspond to general and supplementary schemes of French social security.

The other schemes are defined benefit schemes concerning retirement benefits. Within the context of these plans, commitments are valued according to the projected unit credit method on the basis of agreements in force within each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. These plans and termination benefits are subject to an actuarial valuation by independent actuaries each year for the largest plans and at regular intervals for other plans. These valuations take account in particular of the level of future compensation, employees' probable length of service, life expectancy and staff turnover.

Actuarial gains and losses arise from changes to assumptions and the differences between estimated earnings based on actuarial assumptions and actual earnings. These differences are recognized as items of other comprehensive income for all actuarial gains or losses relating to defined benefit schemes.

Past service costs, indicating the increase in an obligation following the introduction of a new plan or changes to an existing plan, are recognized immediately as expenses.

Expenses relating to plans of this kind are recognized as operating income (cost of services provided, during and prior to the period, reductions and payments) and as "Other financial income and expenses" (financial expenses).

The provision recognized in the balance sheet corresponds to the discounted value of the commitments thus valued.

Other provisions

A provision is recognized when the Group has a current contractual or implied obligation arising from a past event and it is probable that an outflow of resources representing economic benefits will be necessary to fulfill that obligation, provided that the amount of the liability may reliably be estimated.

When time value is material, the amount of the provision is determined by discounting the future expected cash flows.

22.1 Breakdown and changes

Provisions for liabilities and charges include the estimated costs of litigation and other operating risks. The amount of these provisions is not materially different from the actual expenses incurred, in return.

Movements <i>(in thousands of euros)</i>	Provisions for liabilities and charges	Provisions Retirement	Provisions Long service awards	Total
At January 1, 2023	13,341	1,113	50	14,504
Additions	11,226	164	11	11,401
Reversals	(8,924) ⁽²⁾	-	(1)	(8,925)
Other changes ⁽¹⁾	-	7	-	7
At December 31, 2023	15,643	1,284	60	16,987
Additions	16,577	180	2	16,759
Reversals	(15,575) ⁽²⁾	-	-	(15,575)
Other changes ⁽¹⁾	-	(136)	-	(136)
AT DECEMBER 31, 2024	16,644	1,328	62	18,034

(1) Other changes mainly correspond to actuarial gains and losses.

(2) The reversals of Euro 15,575,000 at the end of December 2024 include Euro 7,969,000 of provisions that are now no longer applicable.

22.2 Main assumptions used to determine the amount of commitments relating to defined-benefit schemes

Defined benefit schemes are exposed to interest rate risks, the rate of pay rises and the mortality rate.

Details of the main actuarial assumptions made in assessing commitments are provided in the table below:

	12/31/2024	12/31/2023
Discount rate	3.2%	3.2%
Expected rate of pay rises	3.0%	3.5%
Retirement age	64 years	64 years

The discount rate is determined by reference to the iBoxx € Corporates AA 10+ index.

The benchmark mortality tables TGH05 and TGF05 are used for the calculation.

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Note 23 Off-balance sheet commitments

The principal commitments are the following:

23.1 Commitments related to ordinary activities

23.1.1 Commitments received

23.1.1.1 Bank guarantees received

Bank guarantees received for the proper payment of rents and service charges amounted to Euro 10,024,000 at December 31, 2024, versus Euro 7,694,000 at December 31, 2023.

23.1.1.2 Rental guarantees received

As of December 31, 2024, no rental guarantees have been received.

23.1.2 Commitments given

The long-standing partners of ImocomPartners and Mercialis signed an agreement for Mercialis to purchase the remaining 70% in 2025.

This equity investment is subject to the following conditions precedent:

- obtaining authorization from the French Financial Markets Authority (AMF);
- purging of any legal conditions that may be imposed on the parties;
- limited number of serious events.

The sale price of the 70% stake has not been fixed. It will be determined on the basis of a 2025 enterprise value, which will notably be based on the 2023 and 2024 EBITDA and financial liabilities at December 31, 2024. This price will reflect the fair value of the underlying assets.

This sale price, calculated on the basis of the 2023 and 2024 provisional financial statements, is expected to be in the region of Euro 19 million.

Commitment as part of the project carried out in Chartres

A partnership and exclusivity agreement was signed in September 2023 between Mercialis and the public company Chartres Aménagement.

As part of the "Plateau Nord-Est" redevelopment project, Mercialis, as developer, undertakes to purchase from Chartres Aménagement the plots concerned by the construction of a retail park and residential buildings for Euro 1,265,000.

This promise may, under certain conditions, be extended up to but not beyond December 31, 2028.

Rental guarantees given

On September 20, 2024, following the sale of the Montauban shopping center, a rental guarantee was granted to the buyer for a period of 3 years, i.e. until September 27, 2027.

Mercialys will compensate the buyer for the amount of rental income it should have received up to a maximum amount of Euro 0.5 million for the first two years and Euro 0.3 million for the third year.

23.2 Commitments relating to exceptional transactions

23.2.1 Commitments with Corin

In connection with its Partnership agreement with Corin, in 2006 Mercialis acquired 60% of the undivided rights on certain assets in Corsica for Euro 90 million.

An amendment was made to the memorandum of understanding in 2014. This amendment made it possible to extend certain maturities and to modify the contribution mechanism of the undivided rights. The memorandum of understanding was created for a new 20-year period from the date of signing of the amendment. Today, it is projected that if the agreement to hold the undivided rights in common is not renewed, the party that initiated the end of the undivided rights will be penalized when the undivided rights are shared. The rights may be shared either in kind, with the other party choosing the units (the hypermarket premises will go to Mercialis as a priority in any event), or through the transfer of the undivided rights. Mercialis is irrevocably committed to acquiring Corin's 40% of undivided rights, but has the right to make a counterproposal, and Corin is irrevocably committed to transferring its rights to Mercialis.

A new amendment to the memorandum of understanding was signed on April 27, 2018, stipulating the exercise of the promise to purchase at different maturities. Thus for a maximum of 10% of the undivided rights between January 31, 2020 and December 31, 2020, this potential option was not exercised. It may be exercised for a maximum of 10% of undivided rights between January 31, 2023 and December 31, 2023, a maximum of 10% of undivided rights from January 31, 2024 and a maximum of 10% of undivided rights from January 31, 2025.

Assuming that Corin exercises the promise to purchase, Mercialis has the option to assign its rights and obligations to a third party, or to free itself from its purchase commitment by offering Corin the right to acquire its undivided rights. The memorandum of understanding specifies how the assets are valued. In this case, a 30% discount will be applied. Corin may likewise assign the benefit of its contractual promise to any third party.

These promises represent contingent commitments of unforeseeable outcome and are therefore not recognized in the balance sheet. In the event that the transfer takes place, the asset valuation specified in the memorandum of understanding will be representative of market value.

23.2.2 Other commitments

No pledge, mortgage, or other conveyance of security interest applies to the Group's assets.

The Group has received the customary warranties from the transferor companies in respect of properties transferred to it.

The Group complies with the applicable regulations. There are no manifest environmental risks that would require recognition of a liability provision or an off-balance sheet item.

23.3 Operating lease commitments

Lessor of operating leases

Almost all the leases granted by the Mercialis group in connection with its business activity are commercial leases, but a few construction leases have been granted in special cases.

The leases signed include either a fixed rent or a double-component rent ("variable rent"). Variable rents are composed of a fixed portion (the guaranteed minimum rent) and a portion pegged to the revenue of the lessee operating the commercial premises. The minimum guaranteed rent is based on the rental value of the premises. The additional variable rent specified at the signing of the lease is due from the lessee whenever there is a positive difference between the percentage of pre-tax revenue earned by the lessee during the calendar year and the base rent.

Unless there is an indexation clause in the lease agreement that provides otherwise, rent amounts are adjusted to the index at the end of each three-year period of the lease. For all leases, the base rent, whether a fixed-only rent or the minimum guaranteed portion of a variable rent, is contractually indexed to the Construction Cost Index or retail rent index published by INSEE in accordance with applicable regulations.

The minimum future rental income receivable under non-cancelable operating leases are as follows:

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Less than one year	134,979	139,923
Between one and five years	145,944	150,692
More than five years	12,884	7,770
TOTAL	293,806	298,384

Note 24 Related-party transactions

24.1 Transactions with SCI AMR

Mercialys entered into the following agreements with SCI AMR:

- a Real Estate consulting services agreement: under this 5-year agreement, SCI AMR entrusts Mercialis with general assistance in managing its real estate assets. This agreement, initially entered into on April 23, 2013, was extended at an early date to cover the period from January 1, 2017 to March 15, 2024;
- exclusive letting mandate for a period of five years. This mandate, initially entered into on April 23, 2013, was extended at an early date to cover the period from January 1, 2017 to March 15, 2024;
- a center management agreement with Mercialis Gestion.

These transactions amounted to Euro 761,000.

AMR also signed a rental management agreement with Sudeco, a Casino group company.

In 2020, sales and purchases of real estate assets took place between Mercialis and SCI AMR. In respect of these transactions, Mercialis granted a loan to SCI AMR amounting to Euro 18,780,000 (including accrued interest) at the end of December 2024.

24.2 Gross compensation granted to key executives

Mercialys, a société anonyme (limited liability company) under French law, has opted for a governance structure with a Board of Directors. At December 31, 2024, its Board had 8 members in addition to the Chairman of the Board of Directors, 6 of whom were independent directors. The compensation amounts shown below are total amounts paid to the directors and the key executives.

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Short-term benefits ⁽¹⁾	2,105	2,119
TOTAL	2,105	2,119

(1) Gross salaries (excluding employer contributions), bonuses, incentives, profit-sharing, benefits in kind and directors' fees.

No members of the management bodies held stock options on Mercialis shares at the end of December 2024.

24.4 Other related-party transactions

Excluding the amounts stated above, other related-party transactions were as follows for the fiscal years ended on December 31, 2024 and 2023:

OTHER TRANSACTIONS WITH EQUITY ASSOCIATES

	Income	Expenses	Liabilities	Receivables
(in thousands of euros)	concerning related parties			
2023	1,086	(460)	(543)	623
2024	704	(178)	(124)	1,750

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Note 25 Statutory Auditors' fees

Fees paid to Mercialys' Statutory Auditors amounted to Euro 599,000 for the fiscal year ended December 31, 2024 (versus Euro 509,000 at December 31, 2023).

Statutory Auditors' fees for the fiscal year 2024 (in thousands of euros)	EY	KPMG
Certification of individual and consolidated financial statements and limited review	299	220
Services other than the certification of financial statements ⁽¹⁾	40	40
TOTAL	339	260

(1) Services other than the certification of the financial statements relate to the CSR report and the issuance of the comfort letter.

Note 26 Workforce

Number of employees	12/31/2024	12/31/2023
Workforce at closing date ⁽¹⁾	177	168
Full-time equivalent ⁽²⁾	170	166

(1) Staff on permanent and fixed-term employment contracts.

(2) Average number of full-time equivalent employees over the year.

Note 27 Subsequent events

No significant events have occurred since the end of the 2024 fiscal year.

3.1.3 Statutory Auditors' report on the consolidated financial statements

Fiscal year ended on December 31, 2024

To the General Meeting of Mercialys,

Opinion

In accordance with the mission entrusted to us by your General Meeting, we have audited the Mercialys consolidated financial statements relating to the fiscal year ended on December 31, 2024, as attached to this report.

In our opinion, in accordance with the International Financial Reporting Standards as adopted by the European Union, the consolidated financial statements give a true and fair view of the Funds From Operations for the past fiscal year and of the financial position and portfolio of the Group and its consolidated entities, at the end of said year.

The opinion given above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Reporting standards

We conducted our work in accordance with the professional standards applicable in France. We believe that the evidence we have obtained is a sufficient and appropriate basis for our audit opinion.

Our responsibilities under these standards are stated in the section entitled "Responsibilities of the Statutory Auditors for the audit of the consolidated financial statements" in this report.

Independence

We performed our audit in accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors, for the period between January 1, 2024 and the date of issue of our report, and in particular, we provided no services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatements which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the fiscal year, and how we addressed those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We express no opinion about the items in these consolidated financial statements taken separately.

Measurement of investment properties

Identified risk	Our solution
At December 31, 2024, the net book value of the Group's investment properties amounted to Euro 1,721 million. Investment properties are recognized at cost, broken down into components and are depreciated over their useful lives. Note 8 to the consolidated financial statements describes the accounting rules and methods adopted by the Group for the recognition and measurement of investment properties, and their impairment. The Group uses the fair values, excluding transfer taxes, of investment properties determined by independent appraisers to: • indicate this information in the notes to the consolidated financial statements, as required by IAS 40; • assess the absence of impairment on these investment properties or recognize provisions for impaired investment properties, if any. The measurement of investment properties requires some judgment and significant estimates from Management and from the independent appraisers. In particular, these appraisers take into account information specific to each asset such as location, rental income, rates of return, capital expenditure and recent comparable transactions on the market. The measurement of investment properties is considered to be a key audit point due to: • the significant amount of the fair value excluding transfer taxes presented in the notes to the consolidated financial statements; • the use, by the independent appraisers, of level 3 non-observable inputs as defined by IFRS 13 – Fair Value Measurement, to determine fair value. Consequently, these fair values are based on estimates; • the sensitivity of fair value to the assumptions adopted by the appraisers, which is used to assess the absence of impairment in the investment properties.	In connection with our audit of the Mercialis consolidated financial statements, we implemented the following procedures: • assessment of the competence, independence and integrity of the independent appraisers appointed by the Company; • analysis of the significant changes in fair values, per investment property; • testing of the operational effectiveness of management verifications of the data sent to the appraisers and used to value the investment properties and the verifications made by Management of the fair values derived from these independent appraisals; • interviews, in the presence of our real estate specialists, with the independent appraisers in order to understand and assess the relevance of the estimates, assumptions and measuring methodology applied; • comparison, over a selection of assets, of the data used by the independent appraisers with the data present in the supporting documents such as rental statements and the investment budgets that we received from the Company; • for a selection of assets, analysis, with our real estate specialists, of the consistency of the main valuation assumptions used by the independent appraisers, in particular the yield rate and market rental values, with regard to the market information available; • comparison of the items taken into account to determine the amount of provisions to recognize for the impaired investment properties (comparison of the net book values with the audited financial statements, and of the fair value with the independent appraisal); • examination of the suitability of the information given in note 8 to the consolidated financial statements.

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Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by law and regulations on the information relating to the Group, presented in the Board of Directors' Management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications or information provided for by legislation and regulations

Format of the consolidated financial statements intended to be included in the Annual financial report

In accordance with the professional standards on Statutory Auditors' procedures relating to the annual and consolidated financial statements presented using the European Single Electronic Format, we also verified compliance with this format as defined by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the Annual financial report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the Annual financial report complies, in all material respects, with the European Single Electronic Format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as in the consolidated financial statements attached to this report.

Furthermore, it is not our responsibility to verify whether the consolidated financial statements to be included by your company in the Annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

We were appointed as the Statutory Auditors of Mercialys by the General Meeting of May 6, 2010.

At December 31, 2024, our firms were in their fifteenth year of uninterrupted auditing.

Previously, ERNST & YOUNG Audit had been the entity's Statutory Auditor since 1999.

Responsibilities of management and members of corporate governance relating to the consolidated financial statements

Management is responsible for preparing the consolidated financial statements presenting a fair view in accordance with the International Financial Reporting Standards as adopted in the European Union and for setting up the internal control system that it considers necessary for the preparation of consolidated financial statements that are free from material misstatements, whether as a result of fraud or error.

While preparing the consolidated financial statements, it is the responsibility of Management to evaluate the capacity of the Company to continue its operations, to present in these financial statements, if applicable, the necessary information regarding the going concern principle and to apply the going concern accounting policy, unless there are plans to liquidate the Company or to discontinue its activity.

The Audit Committee has a duty to monitor the preparation of financial information and to monitor the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit systems, in terms of procedures relating to the production and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. We seek to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of any material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that an audit performed in accordance with professional standards can systematically detect all material misstatements. Misstatements may stem from frauds or from errors and are considered to be material when one can reasonably expect that, taken individually or together, they may influence the economic decisions that the users of the financial statements may make on the basis of such statements.

As specified by Article L. 821-55 of the French Commercial Code, our mission to certify the financial statements does not require us to guarantee the viability or quality of the management of your company.

During an audit performed in accordance with the professional standards applicable in France, the Statutory Auditors use their professional judgment throughout the audit. Furthermore:

- they identify and evaluate the risks that the consolidated financial statements may include material misstatements, whether they stem from fraud or error; they define and implement audit procedures to address these risks and collect evidence that they consider sufficient and appropriate to justify their opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of a material misstatement caused by error, because fraud may imply collusion, falsification, deliberate omissions, false statements or circumvention of internal control;
- they review the internal control relevant to the audit in order to define the audit procedures that are best suited to the circumstances, and not for the purpose of expressing an opinion about the effectiveness of the internal control;
- they evaluate the suitability of the accounting methods adopted and the reasonable nature of the accounting estimates made by Management, and the relevant disclosures in the consolidated financial statements;
- they assess the proper application by Management of the going concern accounting principle and, depending on the evidence collected, the existence or not of a material uncertainty linked to events or circumstances likely to jeopardize the Company's capacity to continue its operations. This assessment relies on the evidence collected until the date of their report, while stressing, however, that subsequent circumstances or events may undermine the going concern. Should the auditors find the existence of a material uncertainty, they will draw the attention of the readers of their report to disclosures in the consolidated financial statements about this uncertainty or, if such disclosures do not exist or are irrelevant, they will issue a qualified certification or refuse to certify;
- they assess the overall presentation of the consolidated financial statements and determine whether the consolidated financial statements reflect the underlying operations and events so as to provide a true and fair view;
- concerning the financial information of persons or entities included in the scope of consolidation, they collect the evidence that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for managing, overseeing and performing the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report that presents, in particular, the scope and schedule of the audit work conducted, in addition to the findings from our work. We also bring to its attention any material weaknesses that we may identify in the internal control system with respect to the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the Audit Committee include the risks of material misstatements that we consider the most significant for the audit of the consolidated financial statements for the fiscal year and which therefore constitute the key audit points that we are required to describe in this report.

We also provide the Audit Committee with the statement specified in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. If necessary, we discuss the risks affecting our independence and the precautionary measures applied with the Audit Committee.

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The Statutory Auditors

Paris-La Défense, March 11, 2025

KPMG SA

Régis Chemouny

Partner

Lyon, March 11, 2025

Ernst & Young

Sylvain Lauria

Partner

3.2 Separate financial statements

3.2.1 Financial statements

3.2.1.1 Income statement

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Rental revenues		126,123	122,639
Non-recovered property taxes		(1,649)	(1,593)
Non-recovered service charges		(2,488)	(1,926)
Net property operating charges		(5,052)	(4,873)
Net rental income	3	116,933	114,247
Management, administrative and other activities income	4	2,009	1,230
Depreciation		(22,765)	(23,115)
Provisions		1,050	(8,297)
Personnel expenses	5	(3,940)	(9,696)
Other expenses	6	(18,286)	(5,640)
Operating income		75,001	68,729
Net financial expense	7	(28,166)	(47,733)
Net exceptional items	8	(2,094)	(2,898)
Employee profit-sharing	9	(6)	(313)
Corporate tax	10	-	-
NET INCOME		44,734	17,786

3.2.1.2 Balance sheet

Assets

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Intangible assets		5,003	10,918
Depreciation and impairment		(1,852)	(8,106)
Subtotal		3,152	2,812
Property, plant and equipment		1,428,992	1,433,705
Depreciation and impairment		(314,043)	(295,721)
Subtotal		1,114,949	1,137,984
Investments		757,618	769,826
Impairment of investments		(206,785)	(122,600)
Subtotal		550,833	647,226
Total non-current assets	11	1,668,934	1,788,022
Receivables	12	228,614	222,344
Cash	13	259,719	98,486
Adjustment accounts		24,476	30,055
Total current assets		512,809	350,885
Expenses to be spread over several fiscal years		3,311	3,031
Bond redemption premiums		3,653	3,948
TOTAL ASSETS		2,188,706	2,145,886

Liabilities

<i>(in thousands of euros)</i>	Notes	12/31/2024	12/31/2023
Share capital and additional paid-in capital		561,944	561,944
Reserves		9,389	9,389
Revaluation adjustment		15,635	15,635
Retained earnings		138,789	213,647
Earnings		44,734	17,786
Interim dividend		-	-
Statutory provisions		940	914
Equity	14	771,432	819,315
Provisions	15	20,970	17,663
Borrowings and financial liabilities	16	1,334,395	1,232,617
Liabilities	17	61,092	75,200
Adjustment accounts	18	817	1,092
Current liabilities		1,417,275	1,326,572
TOTAL LIABILITIES		2,188,706	2,145,886

3.2.1.3 Cash flow statement

(in thousands of euros)	Notes	12/31/2024	12/31/2023
Net income		44,734	17,786
Depreciation, amortization, and impairment allowances net of reversals		109,874	92,547
Income from asset disposals		(1,618)	(1,684)
Other calculated expenses/(income)		3,688	793
Cash flow		156,678	109,442
Change in working capital requirement ⁽¹⁾		(18,331)	(13,867)
Net cash flow from operating activities		138,347	95,575
Acquisitions of investment assets		(24,878)	(25,396)
Disposals of fixed assets		23,639	3,925
Change in loans and advances granted ⁽²⁾		17,520	3,145
Net cash flow from investing activities		16,281	(18,326)
Dividends and interim dividends paid	14	(92,643)	(89,565)
Increase or decrease in share capital		-	-
Increase in borrowings ⁽³⁾		521,410	109,892
Decrease in borrowings ⁽³⁾		(422,000)	(179,000)
Net cash flow from financing activities		6,767	(158,673)
Change in net cash position		161,395	(81,425)
Net cash at beginning of year		96,496	177,921
Net cash at end of year		257,891	96,496
Cash on balance sheet		259,719	96,593
Bank overdrafts		(1,827)	(97)

(1) The change in working capital requirement breaks down as follows:			
• Trade receivables		4,536	(7,118)
• Trade payables		(3,204)	3,080
• Other receivables		(11,974)	(25,007)
• Other payables		(10,233)	23,426
• Adjustment accounts		2,543	(8,247)
Change		(18,331)	(13,867)

(2) In 2024, mainly corresponds to the offsetting of Fenouillet Immobilier receivables for Euro 16,575,000.

(3) In 2024, increases in borrowings and financial liabilities correspond to a bond issue of Euro 300 million and commercial paper issues for Euro - 222 million. In 2023, decreases in borrowings and financial liabilities corresponded to the redemption of the bond maturing in 2027 for Euro 200 million and commercial paper repayments for Euro 222 million.

3.2.2 Notes to the financial statements

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Information about Mercialys SA

Mercialys is a société anonyme (limited liability company) under French law. Its shares are listed on Euronext Paris Compartment A.

The financial statements are presented in thousands of euros and have been rounded up or down to the nearest thousand, and include figures that have been rounded individually. There may be differences between the arithmetic totals of these figures and the aggregates or subtotals shown.

Note 1 Accounting principles, rules and methods

The annual financial statements are prepared in accordance with the prescriptions of the 2016 general chart of accounts based on French accounting regulation ANC 2016-07 of November 4, 2016, approved by the decree of December 26, 2016, which amends regulation ANC 2014-03 on the general chart of accounts. The application of regulation 2015-05 of July 2, 2015 on forward financial instruments and hedge transactions is mandatory since January 1, 2017.

Derivatives have been used for several years by Mercialys to hedge the interest rate risk on its borrowings. The other accounting rules and methods applied are identical to those used previously.

1.1 Intangible assets

“Finance lease rights” represents the intangible value of property finance leases, which is defined as the value of the right to the lease for the remainder of the lease term plus the value of any purchase options in the lease agreement.

When a purchase option is exercised, the value of the lease rights and preliminary sales agreements included in the contract are transferred to property, plant and equipment. Prior to exercise, purchase options are subject to excess tax depreciation on the amortizable portion of the assets concerned.

1.2 Property, plant and equipment

Property, plant and equipment are recorded in the balance sheet at cost or transfer value.

Assets are depreciated using the component method.

For buildings, four components have been identified: structural elements, roofing, fire protection of the building shell, and fixtures.

“Roofing” and “fire protection of the building shell” are identified as separate components only in the case of major renovations. In all other cases, they are not separated from the “structural elements.”

Property, plant and equipment are depreciated using either the straight-line method or the diminishing balance method, depending on the characteristics of each asset. For assets received in the contribution, the depreciation period for fixtures is limited to the estimated remaining useful life.

Depreciation expense calculated according to the straight line method corresponds to economic depreciation. The depreciation periods used for the main types of assets are as follows:

Type of asset	Depreciation period
Land arrangements and improvements	40 years
Buildings (structural elements)	50 years
Roofing	15 years
Fire protection of the building shell	25 years
Fixtures and fittings and renovation of premises	10 years-20 years

For all land and constructions, the net book values thus defined are compared to the fair values. Fair value is determined by appraisals conducted for Mercialys on a regular basis by independent appraisers. The valuation of investment property requires some judgment and estimates. When the difference between the fair value and NBV is greater than or equal to Euro 15,000 or greater than 5% of the value of the asset, a provision is recorded.

The shopping centers owned by Mercialys are appraised by real estate experts in accordance with the RICS (Royal Institution of Chartered Surveyors) Code of Ethics, using the fair value appraisal methods recommended by the 1998 Property Appraisal and Valuation Charter and the 2000 report published by the joint working group of the Commission des Opérations de Bourse (COB) and the Conseil National de la Comptabilité (CNC) on real estate asset valuations for listed companies.

Moreover, Mercialys complies with the Code of Ethics for French REITs (listed real estate investment trusts – REIT) in terms of the rotation of appraisers.

All assets in Mercialys’ portfolio have been valued and those undergoing full appraisal have been subjected to planning enquiries, market and competition surveys and site visits. In accordance with the 2000 COB/CNC report, two methods have been used to determine the fair value of each asset:

- the first approach, capitalization of rental income, consists of measuring net rental income from the asset and applying a yield rate corresponding to the market rate for assets of the same type, based on the retail area, configuration, location, competition, means of ownership, rental and extension potential and comparability with recent transactions, and taking into account the actual level of rent, less non rebillable expenses and works relative to the corresponding market price and the vacancy rate;
- the second approach, discounted cash flow (DCF), which consists of discounting future flows of income and expenses, takes into consideration projected rent increases and vacancy rates in future years, as well as other forecast parameters such as the duration of the period during which the property will be in the lease market and the investment outlays borne by the lessor.

Mercialys’ property portfolio is appraised twice yearly by independent experts. These valuations concern all investment property held at December 31, 2024. Management considers that the fair values determined by the appraisers are a reasonable reflection of the portfolio’s fair value.

The discount rate used takes into account the market risk-free rate (TEC 10-year OAT), plus a risk premium and a real estate market liquidity premium, as well as any risk premiums for obsolescence and rental risk.

Small assets have been valued by comparison with market transactions in similar assets.

The Company does not incur any maintenance expenditure on its properties that would fall within the scope of major repair and maintenance programs spanning several years. Accordingly, the provisions of ANC regulation 2014-03 on asset depreciation and impairment relating to major repairs and maintenance do not apply.

Assets may include compensation paid to a tenant evicted upon early termination of a lease when:

- **the tenant is replaced:** if payment of eviction compensation enables the asset performance to be enhanced (increasing rental revenue, and thereby the market value of the asset), this expenditure is capitalized as part of the cost of the asset, provided such increase in value is confirmed by appraisal; if not, this expenditure is charged to expenses in the fiscal year in which it is incurred;
- **the site is renovated:** if payment of eviction compensation is due to renovation work on the building, this expenditure is included in the cost of this work.

1.3 Investments

Participating interests are recorded in the balance sheet at cost or transfer value. An impairment allowance is recognized if the value in use is less than fair value. If the fall in value is unusual and temporary, no impairment is recorded.

The value in use is determined on the basis of several criteria such as net assets of the relevant companies at year-end (restated to reflect appraisals of the real estate portfolio – see Note 1.2), level of profitability, outlook and usefulness to the Company.

1.4 Provisions

In accordance with ANC regulation 2014-03 on liabilities, any obligation to a third party that entails a probable future outflow of resources without offsetting consideration is recognized by a provision whenever the liability can be reliably estimated.

Managers and other employees receive a post-employment benefit (end-of-career allowance) on retirement, commensurate with their seniority.

In accordance with CNC Recommendation 2003-R.01, a provision is recognized for the estimated liability in respect of all vested rights to post-employment benefits. The amount of this provision has been determined by the projected unit credit method and includes related payroll taxes.

The Company has established bonus share plans for the benefit of Mercialis group managers and employees. A provision is established for the duration of the plan to cover the Company's probable liability, taking into account the award criteria and assuming that the beneficiaries are still employed by the Company at the end of the vesting period.

Receivables and payables are measured at nominal value. Provisions for impairment are booked for receivables in the event of recovery difficulties.

1.5 Financial instruments

The Company uses several financial instruments to reduce its interest rate risk. In this case, the nominal number of forward contracts is reported under off-balance sheet commitments. Only accrued coupons for the fiscal year are recognized in income, against other receivables for derivative assets and other payables for derivative liabilities.

1.6 Rental revenues

Rental revenues comprise the rental of properties by Mercialis to its tenants. The amounts invoiced are recognized as revenue for the applicable period. In the case of construction leases, the value of the asset built by the lessee and transferred to the lessor for no consideration at the end of the lease is analyzed as additional rent payable in kind and is spread over the term of the lease.

Benefits granted to tenants are recognized on a straight-line basis over the term of the contract.

Stepped rents and rent holidays are accounted for by spreading an amount as a decrease or increase to rental revenues for the fiscal year. The spreading is done over the committed term of the lease.

Rental revenue also includes upfront payments made by tenants upon signing the lease. If such payments are considered to be supplemental rent, they are spread over the initial committed term of the lease, generally three years. If not, they are recognized in full in income over the fiscal year in which the tenant takes possession.

Net rental income is the difference between rental revenue and directly attributable expenses. Directly attributable expenses include property taxes and service charges not billed to tenants, as well as other property operating expenses. These expenses do not include expenses recognized by the Company as "Other expenses" or "Personnel expenses."

1.7 Tax

The tax regime for French REITs exempts such companies from corporate tax on income from real estate activities provided that a minimum of 95% of rental revenues, 70% of gains on real estate asset disposals, and 100% of dividends from REIT subsidiaries are distributed as dividends to shareholders.

The tax expense in the income statement corresponds to tax payable on interest and similar income from cash, equity holdings and the liquidity agreement less the proportionate share of the Company's general costs allocated to taxable business activities, and taxation of fees and services billed to third parties.

1.8 Net exceptional items

Net exceptional items are income and expense items that, by virtue of their nature, infrequent occurrence or amount, do not fall within the scope of the Company's ordinary activities.

This line item includes in particular income from the disposal of real estate assets.

Note 2 Significant events of the fiscal year

The significant events of the fiscal year are as follows:

Change in the rental base

Following the agreements signed by the Casino group with Intermarché, Auchan and Carrefour, the majority of retailers at the hypermarkets owned by Mercialis changed during the first half of 2024. Furthermore, on October 2, 2024, the Casino group announced that it had finalized the sale of its operating subsidiary in Corsica, resulting in the resumption of operations under the Auchan brand of the 5 Corsican hypermarkets and supermarkets owned by Mercialis.

The operation of four hypermarkets not owned by Mercialis, but which anchor small shopping centers owned by the real estate company (Brive, Aurillac, Valence and Dijon-Chenôve), was also interrupted on the same date. These shopping centers represent a total of 1.2% of the Company's net rental income (including casual leasing and excluding medium-sized stores, whose flows are little affected by food-anchored tenants).

Financing

In September 2024, Mercialis placed a Euro 300 million bond issue with a 7-year maturity and a 4.0% coupon. In addition, Mercialis exercised the early redemption option of the bond maturing in July 2027, with a residual nominal amount of Euro 200 million and a 4.625% coupon. This refinancing operation enabled Mercialis to extend the maturity of its drawn debt from 3.3 years at the end of June 2024 to 4.0 years at the end of September 2024, to optimize the average cost of debt and to strengthen the liquidity of its balance sheet.

Disposal transactions

At the beginning of 2024, Mercialis sold a dispersed asset on the Narbonne site for Euro 1.4 million.

On July 18, 2024, Mercialis also sold four units on the Millau site for Euro 0.7 million and on September 20, the Montauban shopping center for Euro 5.5 million.

Note 3 Net rental income

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Invoiced rents	125,977	122,470
Lease rights and despecialization indemnities	146	169
Rental revenues	126,123	122,639
Property tax	(9,320)	(9,087)
Rebiling to tenants	7,670	7,494
Non-recovered property taxes	(1,649)	(1,593)
Service charges	(20,673)	(22,218)
Rebiling to tenants	18,185	20,292
Non-recovered service charges	(2,488)	(1,926)
Management fees	(4,875)	(4,535)
Rebiling to tenants	2,798	2,771
Other expenses ⁽¹⁾	(2,975)	(3,110)
Net property operating charges	(5,052)	(4,873)
NET RENTAL INCOME	116,933	114,247

⁽¹⁾ Including for 2024 losses and impairments net of reversals on receivables of Euro 1,096,000, compared to Euro 2,943,000 in 2023.

"Other expenses" include in particular rents paid by the Company on construction leases and very long-term ground leases, rent of property finance leases, fees paid to third parties, and non-recoverable, non-capitalizable shopping center maintenance costs.

Note 4 Management, administrative and other activities income

Management, administrative and other activities income primarily comprises fees charged for services provided by certain Mercialis teams – in connection with consulting services provided by the asset management team, or shopping center management services

provided by the teams – as well as letting, asset management and advisory fees relating to partnerships formed. The income from management is unchanged versus the previous year.

Note 5 Personnel expenses

Personnel expenses comprise compensation and benefits granted to the Company's employees.

On average over the fiscal year 2024, the Company had 34 employees (30 managers, 1 supervisor and 3 clerical staff), versus 52 employees in 2023.

Note 6 Other expenses

Other expenses comprise shopping center advertising and overhead costs. These overhead costs consist primarily of financial communication costs, corporate communication costs, research and marketing expenses, service functioning costs, directors' fees

paid to Board members, fees paid for works, fees paid to the Statutory Auditors and the costs incurred for appraisals and the management of the portfolio.

Note 7 Net financial expense

(in thousands of euros)

	12/31/2024	12/31/2023
Financial income	128,262	70,523
Reversal of provision for impairment of participating interests	1,232	-
• Dentelle	1,232	-
Income from consolidated interests	93,548	39,393
• Mercialys Participations	26,972	25,193
• Dentelle	405	303
• AMR	2,377	3,268
• Immosiris	4,019	2,325
• Hyperthetis Participations	59,364	7,854
• Rennes-Anglet	102	410
• Aix 2	308	40
Interests in affiliated companies	12,278	10,941
Net income/sale of treasury shares	1,094	1,285
Financial income from investments	5,202	3,013
Interest income on hedging derivatives	12,977	15,479
Reversal of provision for impairment	1,893	411
Other financial income	38	1
Financial expenses	(156,428)	(118,255)
Provision for bonus share plans	(736)	(346)
Provisions for losses on contracts	(1,756)	(1,893)
Depreciation of bond redemption premium ⁽¹⁾	(3,309)	(1,623)
Depreciation of treasury shares	(11)	-
Provision for participating interests	(85,417)	(59,965)
• Point Confort	(65)	(437)
• UIR II	(34)	(36)
• AMR	(6,450)	(2,351)
• Rennes-Anglet	(40)	(146)
• Hyperthetis Participations	(56,390)	(14,810)
• Immosiris	(2,722)	(4,339)
• Mercialys Participations	(19,715)	(37,846)
Interests in affiliated companies	(1,858)	(1,599)
Interest on borrowings	(31,441)	(30,184)
Interest charges on hedging derivatives	(9,653)	(12,972)
Net expense/sale of treasury shares	(1,851)	(1,634)
Capitalization of borrowing costs	-	173
Other financial expenses ⁽²⁾	(20,397)	(8,212)
NET FINANCIAL EXPENSE	(28,166)	(47,733)

(1) Including in 2024 Euro 1.5 million in additional depreciation on premiums and costs as part of the debt restructuring transaction.

(2) In 2024, mainly composed of losses on buybacks for Euro 10.1 million and Euro 7.7 million in amortization of balances related to the unwinding of financial instruments.

In 2023, including Euro 5.4 million related to the unwinding of financial instruments.

Note 8 Net exceptional items

Net exceptional items for fiscal year 2024 mainly correspond to:

- capital gains following the disposal of units at the Nîmes, Fréjus and Aix-en-Provence sites for an amount net of costs of Euro 5,456,000 and Paris Massena for an amount of Euro 1,338,000;
- capital losses following the disposal of units at the Millau, Rodez and Montauban sites for an amount net of costs of Euro - 3,148,000;
- other expenses for Euro - 1,291,000;
- provisions for litigation and miscellaneous risks net of reversals for an amount of Euro - 3,759,000;
- reversals of provisions net of allowances for asset impairment in the amount of Euro 409,000.

Note 9 Employee profit-sharing

On November 14, 2023, a profit-sharing agreement was put in place following the creation of an Economic and Social Unit (ESU) on April 5, 2023 uniting the Mercialys SA, Mercialys Gestion, Mercialys Exploitation and The Next Horizon entities. The aim of the profit-sharing agreement is to collectively guarantee employees the right to share in the profits of the companies that make up the Mercialys ESU.

Note 10 Tax

Tax expense corresponds to the tax due on income from the Company's taxable business activities, plus the additional contribution due in respect of the dividends paid. In 2024, income from taxable business activities showed a loss and did not give rise to the recognition of any tax expense.

Deferred tax assets and liabilities are not material.

Note 11 Fixed assets

11.1 Breakdown

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Software	2,833	9,337
Finance lease rights	794	794
Other intangible assets	1,377	788
Depreciation and impairment	(1,852)	(8,106)
Net intangible assets	3,152	2,812
Land and land improvements	747,500	755,908
Depreciation and impairment	(37,286)	(42,323)
Net land and land improvements	710,214	713,585
Buildings, fixtures and fittings	650,803	654,347
Depreciation and impairment	(268,698)	(245,916)
Net buildings, fixtures and fittings	382,105	408,431
Other property, plant and equipment	30,689	23,450
Depreciation and impairment	(8,059)	(7,483)
Other net property, plant and equipment	22,630	15,967
Participating interests	623,788	623,788
Impairment of participating interests	(206,785)	(122,600)
Loans	133,534	145,745
Other investments	296	293
Net investments	550,833	647,226
NET FIXED ASSETS	1,668,934	1,788,022

Other property, plant and equipment consist of fixed assets in progress for Euro 20,286,000 at December 31, 2024, versus Euro 13,146,000 at December 31, 2023.

Participating interests are presented in detail in the table of subsidiaries and equity investments (see Note 25).

11.2 Changes

(in thousands of euros)		Gross	Depreciation and impairment	Net
As at December 31, 2022	Intangible assets	10,268	(7,225)	3,043
	Property, plant and equipment	1,421,386	(266,437)	1,154,949
	Investments	770,000	(62,635)	707,365
	Total	2,201,654	(336,297)	1,865,357
Increase	Intangible assets	7,507	(888)	6,241
	Property, plant and equipment	41,782	(30,414)	11,368
	Investments	4,596	(59,965)	(55,369)
	Total	53,507	(91,267)	(37,760)
Decrease	Intangible assets	(6,856)	8	(6,471)
	Property, plant and equipment	(29,463)	1,131	(28,332)
	Investments	(4,771)	-	(4,771)
	Total	(40,713)	1,139	(39,574)
At December 31, 2023	Intangible assets	10,918	(8,106)	2,812
	Property, plant and equipment	1,433,705	(295,721)	1,137,984
	Investments	769,826	(122,601)	647,226
	Total	2,214,449	(426,428)	1,788,022
Increase	Intangible assets	1,100	(761)	339
	Property, plant and equipment	18,466	(25,637)	(7,171)
	Investments	5,312	(85,417)	(80,105)
	Total	24,878	(111,815)	(86,937)
Decrease	Intangible assets	(7,015)	7,015	-
	Property, plant and equipment	(23,179)	7,315	(15,864)
	Investments	(17,520)	1,232	(16,288)
	Total	(47,714)	15,563	(32,152)
At December 31, 2024	Intangible assets	5,003	(1,852)	3,152
	Property, plant and equipment	1,428,992	(314,043)	1,114,949
	Investments	757,618	(206,785)	550,833
	Total	2,191,614	(522,680)	1,668,934

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Intangible assets and property, plant and equipment

The decreases for the fiscal year mainly correspond to the disposals of assets at the Montauban, Rodez, Paris Massena, Millau and Narbonne sites for a net book value of Euro 15,120,000.

Investments

The decrease in investments is mainly due to the offsetting of successive Fenouillet Immobilier receivables dated June 26, 2024 and November 29, 2024 for Euro 4,025,000 and Euro 12,550,000 respectively.

Loans as at December 31, 2024 are as follows (including financial income):

- SNC Fenouillet Participation: Euro 48,899,000 (Euro 47,281,000 in 2023);
- SNC Fenouillet Immobilier: Euro 65,763,000 (Euro 79,407,000 in 2023);
- SCI AMR: Euro 18,780,000 (Euro 18,965,000 in 2023).

11.3 Impairment

At December 31, 2024, a total of Euro 3,633,000 in impairment on property, plant and equipment and a reversal of impairment of Euro 4,042,000 on Mercialis' real estate assets were deemed necessary, versus Euro 7,781,000 and a reversal of impairment of Euro 369,000 in 2023.

For participating interests, the changes in impairment recognized during the fiscal year relate to Point Confort, AMR, Rennes Anglet, Hyperthesis Participations, Immosiris, Mercialis Participations and UIR II for Euro 85,417,000. A reversal of impairment in the amount of Euro 1,232,000, corresponding to the improvement in the net position of Dentelle, was recognized. At December 31, 2024, these impairments amounted to Euro 206,785,000, compared to Euro 122,600,000 at December 31, 2023.

These impairments mainly related to the decrease in these subsidiaries' revalued net cash position.

Note 12 Receivables

12.1 Breakdown

(in thousands of euros)

	12/31/2024	12/31/2023
Trade receivables	38,364	42,900
Impairment	(14,961)	(16,340)
Net trade receivables	23,403	26,561
Other operating receivables	18,038	22,228
Current accounts of affiliated companies	190,691	177,012
Impairment	(3,518)	(3,456)
Other net receivables	205,212	195,784
RECEIVABLES	228,614	222,344

The aging of trade receivables breaks down as follows:

Trade accounts and other receivables	Assets not due and not impaired	Assets due and not impaired at closing date				Impaired assets		
		In arrears for less than 3 months	In arrears for 3 to 6 months	In arrears for 6 to 12 months	In arrears for more than 12 months	Total	Total	Total
(in thousands of euros)	Total							
At December 31, 2023	7,540	6,120	1,089	1,556	4,191	12,956	22,404	42,900
At December 31, 2024	6,864	3,423	75	4,831	1,505	9,834	21,667	38,364

Trade receivables at December 31, 2024 primarily comprise rental income, lease rights and consulting services invoiced at the end of the fiscal year.

Provisions for non-performing loans are determined by Mercialys and based on the legal framework for disputes with tenants in arrears.

Other operating receivables consist essentially of:

- tax receivables of Euro 6,804,000 at December 31, 2024, versus Euro 8,251,000 at December 31, 2023;
- amounts receivable from tenants under construction leases standing at Euro 4,307,000 at December 31, 2024, versus Euro 4,534,000 at December 31, 2023. In substance, the value of the asset built by the tenant and transferred to the lessor for no consideration at the end of the lease is analyzed as additional rent payable in kind and is spread over the term of the lease. At the end of the lease, the accrued revenue is canceled by recognizing an equivalent amount as a property asset;
- dividends due amounting to Euro 678,000 at December 31, 2024, versus Euro 1,560,000 at December 31, 2023.

Current accounts of affiliated companies mainly correspond to the following subsidiaries:

(in thousands of euros)

SAS Mercialys Participations	80,042
SNC Caserne de Bonne	62,640
SNC Sacré Cœur	13,428
SAS Mercialys Gestion	8,173
SAS Cap Cowork	6,121
SARL Cyperus Saint-André	5,788
SAS Ocitô la Galerie	3,706

In relation to these receivables, accrued income is recognized in the amount of Euro 18,193,000, versus Euro 22,487,000 at December 31, 2023, primarily comprising:

- trade receivables: Euro 4,512,000 (Euro 7,540,000 at December 31, 2023);
- other receivables: Euro 6,714,000 (Euro 9,086,000 at December 31, 2023);
- current accounts of affiliated companies: Euro 6,966,000 (Euro 5,861,000 at December 31, 2023).

12.2 Schedule

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Less than one year	224,871	218,170
More than one year	3,743	4,174
RECEIVABLES	228,614	222,344

Note 13 Net cash

<i>(in thousands of euros)</i>	12/31/2024	12/31/2023
Treasury shares	7,974	5,323
Impairment	(11)	-
Liquidity agreement	101	101
Banks	251,552	92,874
Cash instruments	(1,724)	(1,802)
CASH	257,891	96,496

The Company holds 818,858 treasury shares, compared to 608,389 at December 31, 2023.

Note 14 Equity

14.1 Change in equity before allocation of net income for the year

<i>(in thousands of euros)</i>	Share capital and additional paid-in capital	Reserves and retained earnings	Statutory provisions	Equity
As at December 31, 2022	561,944	328,236	1,699	891,878
Capital increase				-
Decrease in share capital				-
Dividends paid		(89,565)		(89,565)
Net income for the fiscal year		17,786		17,786
Interim dividend				-
Other movements			(784)	(784)
At December 31, 2023	561,944	256,457	914	819,315
Capital increase				-
Decrease in share capital				-
Dividends paid		(92,643)		(92,643)
Net income for the fiscal year		44,734		44,734
Interim dividend				-
Other movements			26	26
At December 31, 2024	561,944	208,548	940	771,432

At December 31, 2024, the share capital is made up of 93,886,501 shares with a par value of Euro 1 each.

14.2 Dividends

Out of 93,886,501 shares at December 31, 2023, 93,578,963 shares benefited from the dividend awarded in respect of the fiscal year ended December 31, 2023 (307,538 treasury shares not entitled to dividends).

The Company paid its shareholders a gross dividend of Euro 0.99 per share in respect of the fiscal year ended December 31, 2023, representing a total of Euro 92,643,000.

Dividend for fiscal year 2024

The Board of Directors of Mercialis will propose to the General Meeting of April 29, 2025 the payment of a dividend of Euro 1 per share, i.e. Euro 93.9 million for 93,886,501 shares.

This dividend proposal comprises the distribution obligation under REIT status concerning tax-exempt profits from:

- the leasing or subletting of properties, i.e. Euro 0.78 per share;

- the distribution of tax-exempt income recorded in the Company's balance sheet in the amount of Euro 0.22 per share.

The payment of the dividend of Euro 1 per share would take place on May 6, 2025 (ex-dividend date being May 2, 2025), subject to approval by the General Meeting on April 29, 2025.

14.3 Share-based payments

Since December 1, 2005, the Group has set up bonus share plans in Mercialis shares for the benefit of employees and executives.

The vesting of bonus share plans is subject to the beneficiary being present at the end of the allocation period.

Bonus shares currently vesting	Number of shares, current
Outstanding shares at January 1, 2023	486,130
Shares awarded	198,740
Shares canceled	(72,914)
Shares issued	(104,567)
Outstanding shares at December 31, 2023	507,389
Shares awarded	180,798
Shares canceled	(6,546)
Shares issued	(131,366)
OUTSTANDING SHARES AT DECEMBER 31, 2024	550,275

14.4 Bonus share plans

Allocation dates	04/28/2022	04/28/2022	04/27/2023	04/27/2023	04/27/2023	04/25/2024	04/25/2024	04/27/2024
End of allocation period	04/28/2025	04/28/2025	04/27/2026	04/27/2026	04/27/2025	04/25/2027	04/25/2027	04/25/2026
End of holding period	04/29/2027	04/29/2027	04/28/2028	04/28/2028	04/27/2025	04/26/2029	04/26/2029	04/25/2026
Share price at the allocation date (€)	9.55	9.55	8.89	8.89	8.89	11.3	11.3	11.3
Number of beneficiaries	2	12	2	13	155	2	14	151
Number of bonus shares awarded at inception	120,437	60,000	120,240	63,000	15,500	80,585	41,300	15,500
Fair value of bonus share (€)	5.66	5.87	5.11	5.25	7.01	8.12	8.15	9.26
Selected performance rate	129%	135%	128%	128%	100%	115%	115%	100%
NUMBER OF SHARES OUTSTANDING BEFORE APPLICATION OF THE PERFORMANCE CRITERIA AT DECEMBER 31, 2024	120,437	58,500	120,240	61,500	10,600	103,748	61,950	13,300

Bonus shares only vest subject to a criterion and when the Company's performance criteria have been met, assessed over a defined period that results in the determination of the percentage of shares vested.

The performance criteria applied include:

- the relative performance of the Mercialis share, including dividends (relative TSR);
- organic growth in rental income and RNI (recurring net income) growth;
- the CDP (Carbon Disclosure Project) rating;
- the percentage of the portfolio achieving BREEAM In-Use certification (CSR criterion);
- reduction after three years of carbon intensity per unit area.

Note 15 Provisions

(in thousands of euros)	12/31/2023	Additions	Reversal	12/31/2024
For liabilities and charges	17,103	17,815	14,600	20,317
For end of career severance allowances	545	92	-	637
For long service awards	15	1	-	16
Provisions	17,663	17,908	14,600	20,970
o/w operating		10,603	11,652	
o/w financial		2,491	1,893	
o/w exceptional		4,814	1,055	

Provisions for liabilities and charges include the estimated costs of litigation and other operating risks.

The amount of these provisions is not materially different from the actual expenses incurred. Property additions and reversals are recorded under operating expenses for provisions relating to sites in the portfolio, and under exceptional items for provisions relating to sites that have been sold.

Note 16 Miscellaneous borrowings and financial liabilities

16.1 Breakdown

(in thousands of euros)	12/31/2024	12/31/2023
Bonds	1,269,263	1,170,025
Borrowings and debts from credit institutions	42,000	42,000
Bank overdrafts	71	97
Cash instrument liabilities	1,756	1,893
Other financial debt (security deposits received)	21,305	18,602
BORROWINGS AND FINANCIAL LIABILITIES	1,334,395	1,232,617

Security deposits received are repayable to tenants when they leave or, at the earliest, at the end of the three-year leases. Because occupancy rates on the Company's properties are very high, these deposits received constitute a near-permanent source of financing of indeterminable maturity.

16.2 Bonds

The change in bonds over fiscal year 2024 was linked in particular to the placement of a new bond issue on September 10, 2024 for Euro 300 million, with a 7-year maturity and 4% coupon. With this latest bond issue, an issue premium was recorded for Euro - 1.8 million, along with issue costs of Euro - 1.5 million.

In addition, Mercialis exercised the early redemption option on the bond maturing in July 2027 for a residual nominal amount of Euro 200 million.

At December 31, 2024, the amount of bond financing totaled Euro 1,250 million, divided into four issues:

- a Euro 300 million bond issue yielding a fixed rate of 1.80%, with a maturity of 8 years (maturing in February 2026);
- a Euro 150 million bond issue yielding a fixed rate of 2.00%, with a maturity of 10 years (maturing in November 2027);

- a Euro 500 million bond issue, yielding a fixed rate of 2.5% and maturing in February 2029;
- a Euro 300 million bond issue yielding a fixed rate of 4.00%, with a 7-year maturity (maturing in September 2031).

These bonds are subject to the standard commitment and default clauses customarily included in this type of agreement: pari passu ranking, a negative pledge clause that limits the security that can be granted to other lenders, and a cross-default obligation. Furthermore, if the rating is downgraded following a change of control (see definition below), Mercialis bondholders may request redemption of their share.

A rating downgrade is defined as a lowering of the rating by a rating agency, a downgrade of the rating to non-investment grade (i.e. a downgrade of at least two notches relative to the current rating) or, if the rating is already non-investment grade, a downgrade of at least one notch. The rating downgrade must be explicitly linked to the change of control of the Company.

16.3 Hedging transactions

In addition, Mercialys introduced an interest rate hedging policy in October 2012 through swaps and collars in order to enable it to spread out its interest rate risk over time.

In 2024, certain instruments were restructured and Mercialys took out a new cash flow hedge. The balance of Euro 3.7 million is spread over the period between the date of renegotiation of the instrument and the end date of the underlying.

► SUMMARY STATEMENT OF FINANCIAL INSTRUMENTS BY CATEGORY AT DECEMBER 31, 2024

<i>(in thousands of euros)</i>	Notional	Net mark-to-market	Mark-to-market (assets)	Mark-to-market (liabilities)	Premium	Provision
Fixed/floating rate swaps	300,000	(6,446)	-	(6,446)	-	-
Refixing swaps	275,000	1,690	4,036	(2,346)	-	-
Cap	50,000	253	265	(12)	(388)	-
Trading	220,000	(1,724)	32	(1,756)	833	(1,758)

At end-December 2024, Mercialys' debt structure, after hedging and including commercial papers, breaks down as follows: 99% fixed-rate or hedged debt and 1% floating-rate debt.

16.4 Confirmed credit lines

At the end of December 2024, the Mercialys group's confirmed credit lines amounted to Euro 385 million, of which:

- a Euro 180 million revolving bank credit line, maturing in June 2027;
- five confirmed bank credit lines for a total amount of Euro 205 million, maturing between July 2026 and December 2028.

16.5 Commercial papers

A Euro 500 million commercial paper program was set up in the second half of 2012. It has been used since 2014. At December 31, 2024, the outstanding amount was Euro 42 million, unchanged from December 31, 2023.

16.6 Financial covenants

Mercialys' financial liabilities are subject to default clauses (early repayment) in the event of failure to comply with the following financial ratios:

- LTV (Loan-To-Value): Net financial debt/(Fair value excluding portfolio transfer taxes + Market value of investments in equity associates) < 55% at each closing date;
- ICR (Interest Coverage Ratio): Consolidated EBITDA ⁽¹⁾/Net finance costs > 2 at each closing date;
- secured debt/consolidated fair value of investment properties excluding transfer taxes < 20% at any time;
- consolidated fair value of investment properties excluding transfer taxes > Euro 1 billion at all times;
- change of control clauses also apply.

	Covenants	12/31/2024	12/31/2023
Loan To Value (LTV)	< 55%	38.2%	38.9%
ICR (Interest Cost Ratio)	> 2x	5.5x	5.1x

At December 31, 2024, the two other contractual covenants (Secured debt/Consolidated fair value of investment properties excluding transfer taxes, and Consolidated fair value of investment properties excluding transfer taxes), as well as the commitment and default clauses, were also complied with.

⁽¹⁾ EBITDA: Earnings before interest, taxes, depreciation, and amortization.

Note 17 Liabilities

17.1 Breakdown

(in thousands of euros)

	12/31/2024	12/31/2023
Trade payables	14,685	17,392
Tax and social security liabilities	9,171	9,555
Income tax	-	-
Current accounts of affiliated companies	32,961	42,841
Trade payables on assets	1,085	1,697
Other liabilities	3,191	3,714
PAYABLES	61,092	75,200

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Current accounts of affiliated companies mainly correspond to the following subsidiaries:

(in thousands of euros)

SCI Timur	11,451
SNC Dentelle	1,340
SNC Géante de Périaz	4,176
SNC Fenouillet Immobilier	13,768
SAS Mercialys Exploitation	731

Expenses payable amount to Euro 16,187,000, versus Euro 20,960,000 at December 31, 2023, broken down as follows:

- trade payables: Euro 8,111,000 (Euro 12,312,000 at December 31, 2023);
- tax and social security liabilities: Euro 4,017,000 (Euro 4,104,000 at December 31, 2023);
- current accounts of affiliated companies: Euro 1,845,000 (Euro 1,568,000 at December 31, 2023);
- trade payables on assets: Euro 1,073,000 (Euro 1,587,000 at December 31, 2023);
- other payables: Euro 1,141,000 (Euro 1,389,000 at December 31, 2023).

17.2 Schedule

(in thousands of euros)

	12/31/2024	12/31/2023
Less than one year	61,092	75,200
Between one and five years	-	-
More than five years	-	-
LIABILITIES	61,092	75,200

Note 18 Adjustment accounts

This item consists mainly of lease rights yet to be spread out.

Note 19 Off-balance sheet commitments

The principal commitments are the following:

19.1 Commitments related to ordinary activities

19.1.1 Commitments received

19.1.1.1 Bank guarantees received

For the proper payment of rents and service charges: at December 31, 2024, these amounted to Euro 6,966,000, compared to Euro 5,367,000 at December 31, 2023.

19.1.1.2 Rental guarantees received

As of December 31, 2024, no rental guarantees have been received.

19.1.2 Commitments given

19.1.2.1 Rental guarantees given

On September 20, 2024, following the sale of the Montauban shopping center, a rental guarantee was granted to the buyer for a period of 3 years, i.e. until September 27, 2027.

Mercialys will compensate the buyer for the amount of rental income it should have received up to a maximum amount of Euro 0.5 million for the first two years and Euro 0.3 million for the third year.

19.2 Commitments relating to exceptional transactions

19.2.1 Commitment as part of the project carried out in Chartres

A partnership and exclusivity agreement was signed in September 2023 between Mercialis and the public company Chartres Aménagement.

As part of the "Plateau Nord-Est" redevelopment project, Mercialis, the developer, undertakes to purchase from Chartres Aménagement the plots concerned by the construction of a retail park and residential buildings for Euro 1,265,000.

This promise may, under certain conditions, be extended up to but not beyond December 31, 2028.

19.2.2 Commitments with Corin

In connection with its Partnership agreement with Corin, in 2006 Mercialis acquired 60% of the undivided rights on certain assets in Corsica for Euro 90 million.

An amendment was made to the memorandum of understanding in 2014. This amendment made it possible to extend certain maturities and to modify the contribution mechanism of the undivided rights. The memorandum of understanding was created for a new 20-year period from the date of signing of the amendment.

Today, it is projected that if the agreement to hold the undivided rights in common is not renewed, the party that initiated the end of the undivided rights will be penalized when the undivided rights are shared. The rights may be shared either in kind, with the other party choosing the units (the hypermarket premises will go in priority to Mercialis in any event), or through the transfer of the undivided rights.

Mercialys is irrevocably committed to acquiring Corin's 40% of undivided rights, but has the right to make a counterproposal, and Corin is irrevocably committed to transferring its rights to Mercialis.

A new amendment to the memorandum of understanding was signed on April 27, 2018, stipulating the exercise of the promise to purchase at different maturities. Thus for a maximum of 10% of the undivided rights between January 31, 2020 and December 31, 2020, this potential option was not exercised. It may be exercised for a maximum of 10% of undivided rights between January 31, 2023 and December 31, 2023, a maximum of 10% of undivided rights from January 31, 2024 and a maximum of 10% of undivided rights from January 31, 2025.

Assuming that Corin exercises the promise to purchase, Mercialis has the option to assign its rights and obligations to a third party, or to free itself from its purchase commitment by offering Corin the right to acquire its undivided rights. The memorandum of understanding specifies how the assets are valued. In this case, a 30% discount will be applied. Corin may likewise assign the benefit of its contractual promise to any third party.

These promises represent contingent commitments of unforeseeable outcome and are therefore not recognized in the balance sheet. In the event that the transfer takes place, the asset valuation specified in the memorandum of understanding will be representative of market value.

19.2.3 Other commitments

No pledge, mortgage or other conveyance of security interest applies to the Company's assets.

The Company has received the customary guarantees from the transferor companies in respect of properties transferred to it in 2005 and 2009.

The Company complies with applicable regulations. There are no manifest environmental risks that would require recognition of a liability provision or an off-balance sheet item.

19.3 Commitments under finance leases and operating leases

19.3.1 Lessee of finance leases

At December 31, 2024, the Group was not a lessee under any finance leases.

19.3.2 Lessee of operating leases

The leases for which Mercialis is a lessee fall into four categories:

1. leases on plots of land related to properties (mainly construction leases and long-term ground leases);
2. commercial leases for offices;
3. car leases;
4. IT equipment leases.

19.3.3 Lessor of operating leases

Almost all the leases granted by the Mercialis group in connection with its business activity are commercial leases, but a few construction leases have been granted in special cases.

The leases signed include either a fixed rent or a double-component rent ("variable rent"). Variable rents are composed of a fixed portion (the guaranteed minimum rent) and a portion pegged to the revenue of the lessee operating the commercial premises. The minimum guaranteed rent is based on the rental value of the premises. The additional variable rent specified at the signing of the lease is due from the lessee whenever there is a positive difference between the percentage of pre-tax revenue earned by the lessee during the calendar year and the base rent.

Unless there is an indexation clause in the lease agreement that provides otherwise, rent amounts are adjusted to the index at the end of each three-year period of the lease. For all leases, the base rent, whether a fixed-only rent or the minimum guaranteed portion of a variable rent, is contractually indexed to the Construction Cost Index or Retail Rent Index published by INSEE in accordance with applicable regulations.

Note 20 Market risk

Market risk is the risk that changes in market prices – such as exchange rates, interest rates and the prices of equity instruments – will adversely affect the Group's net income or the value of the financial instruments that it holds.

Mercialys' exposure to interest rate risk relates to the borrowings described in Note 16.3. To manage its exposure to the risk of changes in interest rates, the Company uses derivatives (interest rate swaps and collars).

Note 21 Information concerning related parties

(in thousands of euros)

	12/31/2024	12/31/2023
Income/(expenses)		
Service agreement for Hyperthetis Participations	726	100
Service agreement for Immosiris	475	50
Real estate consulting services agreement for AMR	546	558
Asset fees for Immosiris	262	156
Financial income	105,826	50,334
Financial expenses	(1,858)	(1,599)
Assets/(liabilities)		
Loans	133,534	145,653
Participating interests	616,263	616,263
Current accounts of affiliated companies	157,731	134,170

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21.1 Service, asset management and brand licensing agreement with Hyperthetis Participations

On June 26, 2015, Hyperthetis Participations and Mercialys signed a service and brand licensing agreement. The agreement is signed for an 8-year term and is automatically renewable. In line with the growth and operation of its assets, Hyperthetis Participations has decided to entrust Mercialys with tasks covering the following: accounting, legal and corporate governance management, strategy consultancy, and brand licensing.

Hyperthetis has also signed an asset management agreement with Mercialys.

21.2 Service and asset management agreement for Immosiris

In connection with the property transactions in 2015, Mercialys has entered into an asset management and Service agreements with Immosiris.

21.3 Other related-party transactions

21.3.1 SCI AMR

Mercialys entered into the following agreements with SCI AMR:

- a real estate consulting services agreement: under this 5-year agreement, SCI AMR entrusts Mercialys with general assistance in managing its real estate assets. This agreement, initially entered into on April 23, 2013, was extended at an early date to cover the period from January 1, 2017 to March 15, 2024.

These transactions amounted to Euro 523,000.

In 2020, sales and purchases of real estate assets took place between Mercialys and SCI AMR. For these transactions, Mercialys granted a loan to SCI AMR amounting to Euro 18,590,000 at the end of December 2024.

21.3.2 SNC Fenouillet Participation

At the end of December 2024, as at December 31, 2023, Mercialys granted a loan of Euro 39,778,000 to SNC Fenouillet Participation. This cash advance bears interest at a rate of 5.9%, which will be reduced to EURIBOR + 100 basis points.

Note 22 Compensation

The gross compensation paid to officers and directors in 2024 amounted to Euro 2,105,000, versus Euro 2,119,000 at December 31, 2023.

Note 23 Statutory Auditors' fees

Fees in thousands of euros at December 2024

	Ernst & Young	KPMG
Fees for certification of the financial statements	183	182
Fees other than for the certification of financial statements ⁽¹⁾	87	40
TOTAL	270	222

(1) Fees other than for the certification of financial statements relate to the CSR report and the issue of the comfort letter.

Note 24 Subsequent events

RIDER 14

Note 25 Table of subsidiaries and equity investments

25.1 Subsidiaries (at least 50% of share capital owned)

(in thousands of euros)		SIREN (Company registration number)	Equity		Portion of share capital held (in %)	Book value of shares held		Loans and advances granted	2024 revenues, excl. tax	2024 net income (+ or -)	Dividends received
Companies			Share capital	Other shareholders' equity		Gross	Net				
SAS Point Confort	16-18 rue du Quatre-Septembre 75002 Paris	306 139 064	154	4,936	100	8,130	5,212	-	279	(75)	-
SAS Mercialys Participations	16-18 rue du Quatre-Septembre 75002 Paris	890 154 016	1	218,875	100	295,180	237,619	77,596	-	6,722	26,972
SAS Hyperthetis Participations	16-18 rue du Quatre-Septembre 75002 Paris	811 749 852	27,439	75,871	51	139,937	52,688	-	12,919	5,830	59,364
SNC Dentelle	16-18 rue du Quatre-Septembre 75002 Paris	498 780 345	5,914	331	99.99	5,930	5,930	-	479	331	405
SAS Mercialys Gestion	16-18 rue du Quatre-Septembre 75002 Paris	484 531 561	37	(579)	100	37	37	7,938	19,270	(421)	-
SAS Immosiris	16-18 rue du Quatre-Septembre 75002 Paris	814 312 096	14,048	109,876	51	71,649	63,202	-	7,843	4,959	4,019
SAS Astuy	16-18 rue du Quatre-Septembre 75002 Paris	821 879 467	37	(120)	100	37	37	463	-	(39)	-
SAS Cap Cowork Mercialys	16-18 rue du Quatre-Septembre 75002 Paris	852 223 676	37	(863)	100	37	37	5,876	509	(240)	-
SAS Ocitô La Galerie	16-18 rue du Quatre-Septembre 75002 Paris	852 187 111	37	(2,890)	100	37	-	3,561	27	3	-
SAS Epicanthe	16-18 rue du Quatre-Septembre 75002 Paris	812 269 546	1	(2,498)	100	1	-	664	-	(1,622)	-
SCI Rennes- Anglet	16-18 rue du Quatre-Septembre 75002 Paris	820 948 016	2,562	3,716	100	12,527	6,392	321	461	88	102
SNC The Next Horizon	16-18 rue du Quatre-Septembre 75002 Paris	900 368 697	37	(745)	100	75	75	1,183	6,102	377	-
SAS Mercialys Exploitation	16-18 Rue du Quatre-Septembre 75002 Paris	815 249 198	37	(612)	100	37	37	-	7,057	820	-
TOTAL						533,614	371,266				

25.2 Equity investments (10% to 50% of capital owned)

(in thousands of euros)

Companies		SIREN (Company registration number)	Equity		Portion of share capital held (in %)	Book value of shares held in thousands of euros		Loans and advances granted	2024 revenues, excl. tax	2024 net income (+ or -)	Dividends received
			Share capital	Other shareholders' equity		Gross	Net				
SAS Corin Asset Management	Centre Cial La Rocade 20600 Furiani	492 107 990	37	177	40	15	15	-	1,286	153	-
SCI AMR	91-93, bd Pasteur 75015 Paris	791 464 191	148,553	(7,256)	25	75,644	38,261	18,590	23,966	4,509	2,377
SNC Aix 2	16-18 rue du Quatre-Septembre 75002 Paris	512 951 617	10	465	50	6,991	6,991	156	1,598	465	308
OPCI UIR II ⁽¹⁾	112, av. Kleber 75784 Paris Cedex 16	533 700 654	33,051	2,300	19.98	7,515	459	-	534	(111)	-
TOTAL						90,165	45,726				

(1) The items concerning OPCI UIR II are taken from the balance sheet as at December 31, 2023.

25.3 Other equity investments

(in thousands of euros)

Companies		SIREN (Company registration number)	Equity		Portion of share capital held (in %)	Book value of shares held in thousands of euros		Loans and advances granted	2024 revenues, excl. tax	2024 net income (+ or -)	Dividends received
			Share capital	Other shareholders' equity		Gross	Net				
SNC Fenouillet Immobilier	16-18 rue du Quatre-Septembre 75002 Paris	808 659 460	2	(1,607)	-	1	0.5	57,617	6,531	(593)	-
GIE Grand Quartier ⁽¹⁾	Route de Saint-Malo 35760 Saint-Grégoire	729 300 087	418	8,034	4.21	10	10	-	5,794	(221)	-
TOTAL						11	10.5				

(1) The items concerning GIE are taken from the balance sheet as at December 31, 2023.

3.2.3 Statutory Auditors' report on the annual financial statements

Fiscal year ended on December 31, 2024

To the Mercialys General Meeting,

Opinion

In accordance with the mission entrusted to us by the General Meeting, we have audited the Mercialys annual financial statements relating to the fiscal year ended on December 31, 2024, as attached to this report.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position for the past fiscal year and of the Company's portfolio for said year, in accordance with French accounting principles.

The opinion given above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Reporting standards

We conducted our work in accordance with the professional standards applicable in France. We believe that the evidence we have obtained is a sufficient and appropriate basis for our audit opinion.

Our responsibilities under these standards are stated in the section entitled "Responsibilities of the Statutory Auditors for the audit of the annual financial statements" in this report.

Independence

We performed our audit in accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors, for the period between January 1, 2024 and the date of issue of our report, and in particular, we provided no services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatements which, in our professional opinion, were the most significant for the audit of the annual financial statements for the fiscal year, and how we addressed those risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We express no opinion about the items in these annual financial statements taken separately.

Measurement of property, plant and equipment

Identified risks

At December 31, 2024, the net book value of the Company's property, plant and equipment amounted to Euro 1,113 million.

Note 1.2 "Property, plant and equipment" of the "Accounting principles, rules and methods" section of the notes to the annual financial statements presents the accounting rules and methods followed by your Company regarding recognition, the breakdown of components and the amortization and measurement methods for property, plant and equipment. In order to determine any impairment, your Company is required to make assumptions and rely on independent appraisals.

The measurement of investment properties requires some judgment and significant estimates from Management and from the independent appraisers. In particular, these appraisers take into account information specific to each asset such as location, rental income, rates of return, capital expenditure and recent comparable transactions on the market.

The measurement of property, plant and equipment is considered to be a key point of the audit because of their significant amount, the importance of judgment in determining the fair value of property, plant and equipment and the sensitivity to the assumptions made by independent appraisals.

Our solution

As part of our audit of the annual financial statements of your Company, we implemented the following procedures:

- assessment of the competence, independence and integrity of the independent appraisers appointed by your Company;
- analysis of the significant changes in fair values, per property;
- testing of the operational effectiveness of Management verifications of the data sent to the appraisers and used to value the properties and the verifications made by Management on the fair values derived from these independent appraisals;
- interviews, in the presence of our real estate specialists, with the independent appraisers in order to understand and assess the relevance of the estimates, assumptions and measuring methodology applied;
- comparison, over a selection of assets, the data used by the independent appraisers with the data present in the supporting documents such as rental statements and the investment budgets that we received from your Company;
- for a selection of assets, analysis, with our real estate specialists, of the consistency of the main valuation assumptions used by the independent appraisers, in particular the yield rate and market rental values, with regard to the market information available;
- comparison of the items taken into account to determine the amount of provisions to recognize for the impaired properties (comparison of the net book values with the audited financial statements, and of the fair value with the independent appraisal);
- an examination of the suitability of the information provided in note 1.2 of the Notes to the annual financial statements.

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(1) Identified risks

Measurement of participating interests

Identified risks

Participating interests are reported in the balance sheet at December 31, 2024 for a net amount of Euro 422 million. They are recognized at acquisition cost or their contribution value and are amortized on the basis of their value in use if lower.

As stated in note 1.3 "Investments" in the section entitled "Accounting principles, rules and methods" in the notes to the annual financial statements, the value in use of participating interests is determined on the basis of several criteria such as the Net Asset Value (NAV), according to the measurements of the real estate portfolio, their level of profitability, outlook and use.

The estimated value in use of participating interests is considered to be a key point of the audit because of its sensitivity to the assumptions made.

Our solution

We implemented the following procedures:

- examination of the justification for the measurement method used for the participating interests based on the information provided to us;
- comparison of the equity value used to determine the values in use with the equity value in the financial statements of entities that have been audited or subject to cost accounting procedures and an assessment of whether the adjustments made, if any, to the equity are based on supporting documents;
- reconciliation of the adopted net book values of the properties with those reported in the financial statements of the entities concerned that have been audited or subjected to cost accounting procedures;
- comparison of the adopted fair values of the properties with those estimated by the independent appraisers, by performing work identical to that presented above on the measurements of property, plant and equipment.

Our works also consisted of:

- an assessment of a provision for risks in the event that the Company is liable to bear the losses of a subsidiary presenting negative equity;
- an examination of the suitability of the information provided in Note 1.3 of the Notes to the annual financial statements.

(1) Identified risks

Specific verifications

We also performed, in accordance with the professional standards applicable in France, the specific verifications required by the applicable laws and regulations.

Disclosures in the Management report and in the other documents for shareholders regarding the financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the disclosures in the Board of Directors' Management report and in the other documents addressed to the shareholders with respect to the financial position and the annual financial statements.

We certify the fairness and consistency with the annual financial statements of the information on payment terms mentioned in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We certify the existence, in the corporate governance section of the Board of Directors' Management report, of the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information provided in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to compensation and benefits paid or granted to the corporate officers, as well as other commitments made in their favor, we verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled by it and included in the scope of consolidation. Based on this work, we certify that this information is accurate and presented fairly.

Concerning information relating to the items which your Company considered likely to have an impact in the event of a public tender or exchange offer, provided in accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, we verified its compliance with the supporting documents which were provided to us. Based on this work, we have no observation to make about this information.

Other disclosures

Pursuant to the law, we have ensured that the various disclosures on the acquisition of minority and controlling interests and the identity of owners of the share capital or voting rights have been provided in the Management report.

Other verifications or information provided for by legislation and regulations

Format of the annual financial statements intended to be included in the Annual financial report

In accordance with the professional standards on Statutory Auditors' procedures relating to the annual and consolidated financial statements presented using the European Single Electronic Format, we also verified compliance with this format as defined by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 in the presentation of the annual financial statements included in the Annual financial report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements included in the Annual financial report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to verify whether the annual financial statements to be included by your company in the Annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

We were appointed as the Statutory Auditors of Mercialis by the General Meeting of May 6, 2010.

At December 31, 2024, our firms were in their fifteenth year of uninterrupted auditing.

Previously, ERNST & YOUNG Audit had been the entity's Statutory Auditor since 1999.

Responsibilities of Management and of members of corporate governance for the annual financial statements

Management is responsible for preparing the annual financial statements presenting a fair view in accordance with the French accounting principles and for setting up the internal control system that it deems necessary to prepare the annual financial statements without any material misstatements, whether as a result of fraud or error.

While preparing the annual financial statements, it is Management's responsibility to evaluate the Company's capacity to continue its operations, to present in these financial statements, if applicable, the necessary information regarding the going concern principle and to apply the going concern accounting policy, unless there are plans to liquidate the Company or to discontinue its activity.

The Audit Committee has a duty to monitor the preparation of financial information and to monitor the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit systems, in terms of procedures relating to the production and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. We seek to obtain reasonable assurance that the annual financial statements taken as a whole are free of any material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that an audit performed in accordance with professional standards can systematically detect all material misstatements. Misstatements may stem from frauds or from errors and are considered to be material when one can reasonably expect that, taken individually or together, they may influence the economic decisions that the users of the financial statements may make on the basis of such statements.

As specified by Article L. 821-55 of the French Commercial Code, our mission to certify the financial statements does not require us to guarantee the viability or quality of the management of your company.

During an audit performed in accordance with the professional standards applicable in France, the Statutory Auditors use their professional judgment throughout the audit. Furthermore:

- they identify and evaluate the risks that the annual financial statements may include material misstatements, whether they stem from frauds or from errors; they define and implement audit procedures to address these risks and collect evidence that they consider sufficient and appropriate to justify their opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of a material misstatement caused by error, because fraud may imply collusion, falsification, deliberate omissions, false statements or circumvention of internal control;
- they review the internal control relevant to the audit in order to define the audit procedures that are best suited to the circumstances, and not for the purpose of expressing an opinion about the effectiveness of the internal control;
- they evaluate the suitability of the accounting methods adopted and the reasonable nature of the accounting estimates made by Management, and the relevant disclosures in the annual financial statements;
- they assess the proper application by Management of the going concern accounting principle and, depending on the evidence collected, the existence or not of a material uncertainty linked to events or circumstances likely to jeopardize the Company's capacity to continue its operations. This assessment relies on the evidence collected until the date of their report, while stressing, however, that subsequent circumstances or events may undermine the going concern. Should the auditors find the existence of a material uncertainty, they will draw the attention of the readers of their report to disclosures in the annual financial statements about this uncertainty or, if such disclosures do not exist or are irrelevant, they will issue a qualified certification or refuse to certify;
- they assess the overall presentation of the annual financial statements and determine whether the annual financial statements reflect the underlying operations and events so as to provide a true and fair view.

Report to the Audit Committee

We submit to the Audit Committee a report that presents, in particular, the scope and schedule of the audit work conducted, in addition to the findings from our work. We also bring to its attention any material weaknesses that we may identify in the internal control system with respect to the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the Audit Committee include the risks of material misstatements that we consider the most significant for the audit of the annual financial statements for the fiscal year and which therefore constitute the key audit points that we are required to describe in this report.

We also provide the Audit Committee with the statement specified in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. If necessary, we discuss the risks affecting our independence and the precautionary measures applied with the Audit Committee.

Paris-La Défense, March 11, 2025

KPMG S.A.

Régis Chemouny

Partner

Lyon, March 11, 2025

Ernst & Young et Autres

Sylvain Lauria

Partner

3.2.4 Five-year results of Mercialys SA

	2024	2023	2022	2021	2020
Financial position at year-end					
Share capital (€k)	93,886.5	93,886.5	93,886.5	93,886.5	92,049.2
Number of shares issued	93,886,501	93,886,501	93,886,501	93,886,501	92,049,169
Comprehensive income (€k)					
Revenues excluding tax	132,391.6	127,622.1	122,564.1	121,883.2	125,515.7
Pre-tax income, employee profit-sharing, amortization, depreciation and provisions	156,617.5	115,737.7	90,208.3	78,452.0	144,317.9
Income tax expense	-	-	6.8	1,026.2	15.5
Employee profit-sharing	(6)	(313)	-	-	-
Income after tax, employee profit-sharing, amortization, depreciation and provisions	44,734.4	17,785.6	59,137.0	33,101.8	69,785.7
Total dividend payment to shareholders	93,886.5 ⁽¹⁾	92,947.6 ⁽¹⁾	90,131.0	86,375.6	39,591.1
Comprehensive income per share (€)					
Income after tax, employee profit-sharing, but before amortization, depreciation and provisions	1.67	1.23	0.96	0.85	1.57
Income after tax, employee profit-sharing, amortization, depreciation and provisions	0.48	0.19	0.63	0.35	0.76
Dividend paid per share	1.00 ⁽¹⁾	0.99	0.96	0.92	0.43
Workforce					
Number of employees (full-time equivalent)	34.2	51.8	51.8	54.6	51.7
Total payroll (€k)	5,801.6	7,129.6	6,599.1	7,351.0	6,070.2
Amount paid in respect of social security benefits and social programs (€k)	2,948.3	3,139.6	2,981.7	3,004.5	2,443.8

⁽¹⁾ Subject to approval from the General Meeting to be held on April 29, 2025.

3.2.5 Information on the Mercialys SA payment terms

The tables below present the payment terms for trade payables and receivables as at December 31, 2024 in thousands of euros, prepared in accordance with the provisions of Article D. 441-6 of the French Commercial Code.

Invoices received and issued, due but not paid as at the closing date.

	Art. D. 441-6 I 1: Invoices received and due but not paid as at the closing date						Art. D. 441-6 I 2: Invoices issued and due but not paid as at the closing date					
	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total (1 day and more)	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total (1 day and more)
(A) Overdue payment installments												
Number of invoices concerned	72					430	178	42	23	390	4,108	4,741
Total amount of invoices concerned including tax	6,167.4	593.4	25.6	284.9	(487.4)	6,583.9	2,352	576	335	2,511	6,411	12,186
Percentage of the total amount of purchases for the fiscal year excluding tax	11.3%	1.09%	0%	0.5%	(0.9) %	0.7%						
Percentage of revenues for the fiscal year excluding tax							1.8%	0.4%	0.3%	1.9%	4.8%	9.2%
(B) Invoices excluded from (A) concerning payables and receivables in dispute or not recognized in the accounts												
Number of invoices excluded			-							3,245		
Total amount of invoices excluded including tax			-							21,667		
(C) Reference payment terms used (contractual or statutory term – Articles L. 441-10 et seq. of the French Commercial Code)												
Payment terms used to calculate overdue payments					Statutory terms: 60 days from date of invoice					Contractual terms: Quarterly invoices with payments falling due		



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Employees



67%

of directors
are independent



56%

women
on the Board of Directors

04.

CORPORATE GOVERNANCE

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4.1 Management and control of the Company

The Company refers to the Corporate Governance Code for listed companies published by the French Association of Private Companies (*Association Française des Entreprises Privées – AFEP*), and the Organization of French companies (*Mouvement des Entreprises de France – MEDEF*) (the AFEP-MEDEF Code). The AFEP-MEDEF Code can be consulted on the AFEP website at the following address: www.afep.com. In accordance with the AFEP-MEDEF Code, and pursuant to Article L. 225-37 of the French Commercial Code, it is hereby stated that the Company complies with all the recommendations of the AFEP-MEDEF Code. A cross-reference table can be found in the Appendix on p. 292 *et seq.*

The Company is incorporated as a *société anonyme* (limited liability company). Since February 13, 2019, to further improve the quality of

the Company's governance with respect to best market practices, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated. Éric Le Gentil serves as Chairman of the Board of Directors and Vincent Ravat as Chief Executive Officer. On the same date, Elizabeth Blaise was appointed Deputy Chief Executive Officer, a position until then held by Vincent Ravat.

This separation ensures a balance of powers between:

- the Board, which performs strategic and control functions; and
- Senior Management, which is in charge of operational functions and the execution of the strategy.

The Board of Directors renewed the directorships of Éric Le Gentil, Vincent Ravat and Elizabeth Blaise on April 28, 2022.

4.1.1 Board of Directors

4.1.1.1 General principles governing the composition of the Board

The Board's operating procedures are established by law, the Company's articles of association and the Board's Rules of Procedure. The latter is detailed in § 9.1.5, p. 400 *et seq.*

The Board of Directors' composition is guided by the main principles below:

- directorships run for 3 years. The Board is partly renewed each year, in accordance with Article 16 of the Company's articles of association and the AFEP-MEDEF Code. This allows for business continuity, promotes the smooth renewal of directorships and gives shareholders the opportunity to vote on these directorships with sufficient frequency;
- the articles of association stipulate no age limit for directors other than the statutory limit according to which no more than one third of the active directors may be over the age of 70;
- the Board of Directors consists of a minimum of 3 and a maximum of 18 members, appointed by the Ordinary General Meeting of Shareholders (see Article 14 of the articles of association, or p. 396);
- under Article 23 of the articles of association, one or more non-voting directors may be selected from the shareholders and appointed by the Ordinary General Meeting or, between two Ordinary General Meetings, by the Board of Directors subject to approval at the next General Meeting. Non-voting directors, appointed for a 3-year term, attend Board of Directors' Meetings. In this context, they provide comments and opinions and take part in discussions in an advisory capacity. There may not be more than 5 non-voting directors. The age limit for serving as a non-voting director is set at 80 years. However, to this day the Company has no non-voting directors;

- each director must own at least 100 registered shares (see Article 15 of the articles of association, or p. 396). The Rules of Procedure recommend that this shareholding be increased to the equivalent of one year of compensation in respect of their directorships (see Article 20 of the Rules of Procedure, or p. 409).

The Board of Directors attaches particular importance to its composition and that of its Committees in order to promote diversity. It relies, in particular, on the work and proposals of the Appointments, Compensation and Governance Committee, which regularly conducts reviews and makes proposals, as often as circumstances require, regarding positive changes in the composition of the Board of Directors and its Committees, in line with the Group's strategy. To this end, when the Board of Directors is looking for a new independent member, the Committee puts forward various candidates whose skills, knowledge and experience have been assessed and supplement or reinforce those skills already accessible to the other members of the Board of Directors.

4.1.1.2 Composition of the Board of Directors

A. Composition of the Board of Directors at December 31, 2024

The Board of Directors is currently composed of 9 directors, of whom:

- 6 (67%) are independent, within the meaning of the AFEP-MEDEF Code; and
- 5 (56%) are women.

The table below summarizes the composition of the Board of Directors at December 31, 2024:

Members of the Board of Directors	Personal information			Experience	Position on the Board of Directors			Membership of Specialized Committees 2024 attendance rate		
	Gender	Age ⁽¹⁾	Number of Mercialys shares owned ⁽¹⁾	Offices held in listed companies (excluding Mercialys)	Date of 1 st appointment	Expiry of directorship	2024 attendance rate	ARSDC	ACGC	SIC ⁽²⁾
Non-independent members										
Éric Le Gentil Non-executive corporate officer	M	64	28,698	0	02/13/2013	GM 04/29/2025	100%		100%	100%
Vincent Ravat Executive corporate officer	M	50	122,582	0	06/15/2022	GM 2027	100%			100%
Élisabeth Cunin ⁽³⁾	F	64	3,132	0	06/06/2012	GM 04/29/2025	100%		100%	
Independent members										
Maël Aoustin	M	44	2,000	0	04/27/2023	GM 2026	100%	100% ○ P		100% ○
Stéphanie Bensimon	F	48	4,600	0	06/07/2018	GM 04/29/2025	100%	100% ○		100% ○ P
Victoire Boissier	F	57	5,000	0	04/20/2016	GM 2026	100%	100% ○	100% ○	
Jean-Louis Constanza	M	63	3,400	0	10/20/2022	GM 2027	100%			
Dominique Dudan	F	70	5,000	2	04/26/2018	GM 2027	100%		100% ○ P	100% ○
Pascale Roque	F	63	3,454	0	10/24/2017	GM 04/29/2025	100%	100% ○	100% ○	
Number of meetings in 2024							6	4	4	6 ⁽⁴⁾
2024 attendance rate							100%	100%	100%	100%

(1) Determined as at December 31, 2024.

(2) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

(3) Loss of the status of independent director on June 6, 2024.

(4) Including one meeting held as the Strategy and Transformation Committee

ARSDC: Audit, Risks and Sustainable Development Committee

ACGC: Appointments, Compensation and Governance Committee

SIC: Sustainable Investment Committee.

○: Member of the Committee

P: Chairman/woman of the Committee

Given the geographical exposure of the Company, all the directors are of French nationality. One of them is also Swiss.

Most of the time, meetings of the Board of Directors and the Specialized Committees are held in person. However, the possibility is offered to participate by telephone or videoconference, in accordance with the regulations and the Rules of Procedure. Details of the attendance arrangements for of each meeting are presented in § 4.1.4 and 4.1.5, p. 242 et seq.

A Board of Directors aligned with best practices

The Board is currently composed of 9 directors. With 6 independent directors (67%), the Company is in line with the highest international standards. All Specialized Committees are chaired by independent members. The Board regularly surveys its members about the ideal balance of its composition and of its Specialized Committees in order to assure its shareholders and the market that its duties are accomplished with the required independence and objectivity.

Excellent representation of women on the Board of Directors and its Committees

5 of the 9 members of the Board of Directors are women, i.e. 56%. Two Committees are chaired by a female independent director. The percentage of women on the Audit, Risks and Sustainable Development Committee, the Appointments, Compensation and Governance Committee and the Sustainable Investment Committee were respectively 75%, 80% and 40% at December 31, 2024.

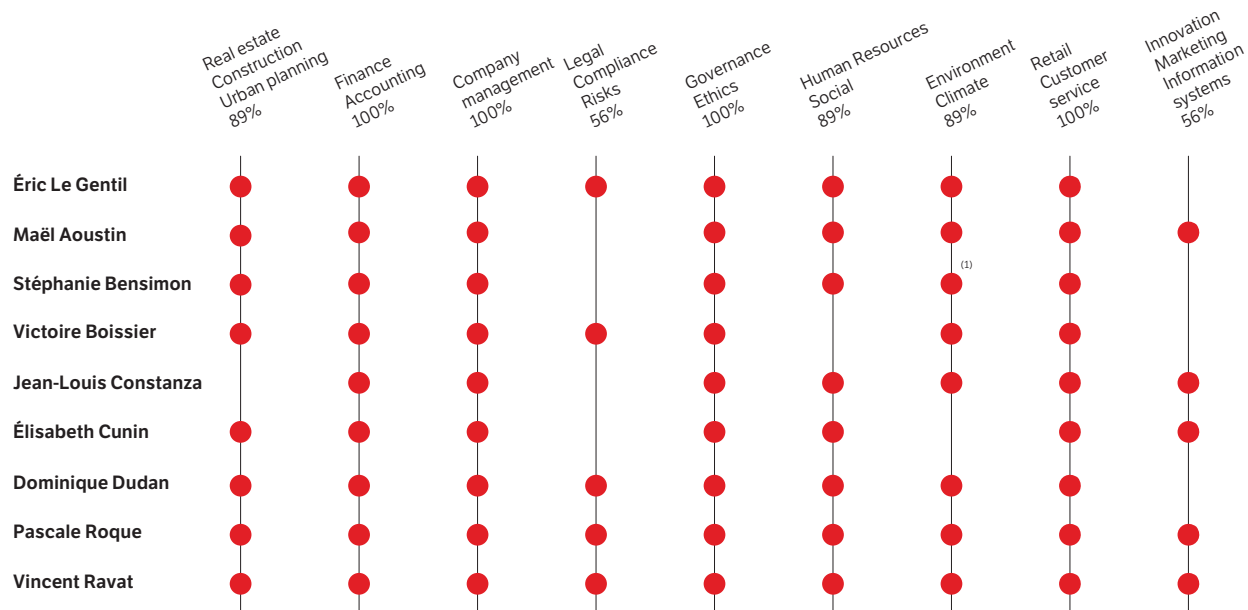
Diversity policy

The Board regularly considers the ideal balance of its composition, whilst ensuring that the law and the recommendations of the AFEP-MEDEF Code are applied. A summary table of the diversity policy applied to the members of the Board of Directors is presented below:

Criteria	Policy and objectives	Implementation and results
Board size	Pursuant to Article 14 of the articles of association, the Board is composed of at least 3 and no more than 18 members.	The Board has been composed of 9 directors since October 20, 2022. It has decided to propose the appointment of a 10 th director to the General Meeting of April 29, 2025: • due to the increase in its duties, • to complement the skills present on the Board.
Age and seniority of members	Under the terms of Article 16 II of the articles of association, no more than one third of the Board of Directors' members may be over the age of 70. The Board also seeks a balanced distribution in terms of seniority among its members, in order to benefit both from their in-depth knowledge of the Company and from the newer perspective of others.	The directors are all aged between 44 and 70 and the average age is 58 as at December 31, 2024. Their seniority at December 31, 2024 ranges between 1 and 12 years.
Gender equality	Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code impose a requirement for each gender to be represented by at least 40% of the directors. The Board is committed to maintaining a balanced gender representation.	The number of men and women on the Board of Directors is balanced, with 5 women and 4 men. This will change to 5 women and 5 men if the General Meeting of April 29, 2025 approves the resolutions submitted to it. The Appointments, Compensation and Governance Committee and the Sustainable Investment Committee are chaired by women. In addition, the Audit, Risks and Sustainable Development Committee and the Appointments, Compensation and Governance Committee include a majority of women.
Qualifications and professional experience	The Board ensures that it maintains diversity and complementarity in terms of technical skills and experience, which must be in line with the Company's activities. Its long-term goals are, through recruitment or training, to have: • directors who are all competent in CSR, whether in terms of social and governance aspects or environmental and climate aspects, • 50% of directors competent in each skill category identified in the skills matrix below.	The Board of Directors benefits from a panel of experienced members responding to the Mercialis group's challenges, namely in the areas of: • real estate, • finance, • company management, • legal, compliance and risks, • human resources, social and governance, • the environment and climate, • retail and customer service, • innovation, marketing and information systems. As part of its future recruitment, the Board wishes to strengthen its skills in the following areas, in no order of priority: • urban planning and exposure to local authorities, • digital expertise and artificial intelligence, • legal expertise and governance, • CSR, • structuring of development operations, • international experience.
Independence of members	The Board of Directors is committed to maintaining a proportion of independent directors at least equal to the threshold of 50% recommended by the AFEP-MEDEF Code for companies that are widely-held and without controlling shareholders.	The Company goes beyond the recommendations of the AFEP-MEDEF Code, since 6 of the 9 Mercialis directors are independent, i.e. 67%.

Diverse, cross-functional and complementary skills

The Board of Directors reinforces the diversity of its skills with a panel of experienced members. They have developed expertise in areas deemed key by the Company:



(1) Stéphanie Bensimon was appointed responsible for monitoring the CSR approach on April 20, 2021.

This mapping of skills was drawn up on the basis of the annual declarations made by the members of the Board of Directors in accordance with the skills validation criteria below. It was reviewed by the Appointments, Compensation and Governance Committee and by the Board of Directors.

The main key skills of the members of the Board of Directors are described in their individual biographies presented in § 4.1.1.2, B, p. 225 et seq.

Real estate, construction, urban planning	Experience in real estate, construction or urban planning so as to understand the Group's challenges and support its development.
Finance, accounting	Expertise in the field of corporate finance and accounting for the financial sector, investments or as an executive with responsibilities in financial and accounting management.
Company management	Experience in a senior management position or as a member of the Executive or Management Committee or a senior executive.
Legal, compliance, risks	Experience in law, compliance, insurance or risk management.
Governance, ethics	Understanding of governance or ethics issues acquired through operational experience or training, in particular membership of the IFA.
Human Resources, social	Experience in the management of human resources and social issues, solid knowledge of corporate governance.
Environment, climate	Understanding of environmental and climate-related issues acquired through operational experience or training, promotion of sustainable development issues.
Retail, customer service	Technical or managerial experience in retail or customer service.
Innovation, marketing, information systems	Technical or managerial experience in innovation, marketing, digital technologies, information systems, artificial intelligence, cybersecurity.

A Board composed of 67% independent directors

As regards the duties entrusted to it, the Appointments, Compensation and Governance Committee is tasked with monitoring the position of each of the directors in terms of any relationships they might have with the Company or Group companies to ensure that there is nothing that might compromise their freedom of judgment or might lead to possible conflicts of

interest with the Company. In this capacity, the Appointments, Compensation and Governance Committee conducts an annual review of the composition of the Board of Directors and, more specifically, of the independence of Board members with regard to the criteria set out in the AFEP-MEDEF Code:

Criterion 1 - Employee corporate officer within the past 5 years	Not to be and not to have been within the previous 5 years an employee or executive corporate officer of the Company, nor an employee, executive corporate officer or director of a consolidated company, nor of the Company's parent company or a company consolidated within this parent company.
Criterion 2 - Cross-directorships	Not to be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of the Company (currently or in the previous five years) holds a directorship.
Criterion 3 - Significant business relationships	Not to be (or directly or indirectly linked to) a customer, supplier, commercial banker, investment banker, or consultant that is significant to the Company or its Group, or for which the Company or its Group represents a significant portion of its activity.
Criterion 4 - Family ties	Not to be related by close family ties to a corporate officer.
Criterion 5 - Statutory Auditors	Not to have been a Statutory Auditor of the Company within the previous 5 years.
Criterion 6 - Directorship exceeding 12 years	Not to have been a director of the Company for more than 12 years.
Criterion 7 - Status of non-executive corporate officer	A non-executive corporate officer cannot be considered as independent if he or she receives variable compensation in cash or shares or any compensation linked to the performance of the Company or the Group.
Criterion 8 - Status of the major shareholder	Directors representing major shareholders of the Company or its parent company may be considered independent if these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Appointments, Compensation and Governance Committee, should systematically review the qualification of a director as independent in the light of the composition of the Company's share capital and the existence of a potential conflict of interest.

Every year, the Board pays particular attention to the significant business relationships criterion. When business flows or relationships have been identified between the Company or Group and the companies in which directors qualified as independent hold positions or offices, or have an interest, qualitative and/or quantitative factors are generally taken into consideration by the Board to confirm the independence of the directors concerned. In particular, the Board assesses from the point of view of each party the significance of the business flow, in terms of volume of business, economic dependence and strategic nature. The Board also takes into account the anticipation of the business relationship in relation to the appointment of the director. The Board relies on the work of the Appointments, Compensation and Governance Committee to determine whether these relationships are likely to affect the independence of the directors.

Six directors fully meet the independence criteria at December 31, 2024: Stéphanie Bensimon, Victoire Boissier, Dominique Dudan, Pascale Roque, Maël Aoustin and Jean-Louis Constanza. With regard to Élisabeth Cunin, the Board confirmed its analysis that the business relations between the Kiabi group, of which she is an executive, and Mercialys, were not such as to compromise her independent judgment on the Board nor likely to give rise to conflicts of interest. Indeed, of the 227 branches and 119 affiliates operated by Kiabi in France, only 2 are in Mercialys shopping centers. The rental income received by Mercialys from Kiabi accounts for 0.37% of Mercialys' total rental income Mercialys at December 31, 2024. The business flow between Mercialys and Kiabi is therefore not material. In addition, the Board of Directors does not intervene in commercial relations with tenants. It has no direct or indirect decision-making power in the establishment or maintenance of these business flows. It should be noted that Élisabeth Cunin lost her status as an independent director on June 6, 2024 due to her seniority on the Board of Directors.

The table below provides a summary analysis of the position of each of the directors in respect of the independence criteria set out in the AFEP-MEDEF Code, at December 31, 2024:

	Criterion 1 Employee corporate officer within the past five years	Criterion 2 Cross-directorships	Criterion 3 Significant business relationships	Criterion 4 Family ties	Criterion 5 Auditor	Criterion 6 Period of office exceeding more than 12 years	Criterion 7 Status of non-executive officer	Criterion 8 Status of the major shareholder
INDEPENDENT DIRECTORS								
Maël Aoustin	●	●	●	●	●	●	N/A	●
Stéphanie Bensimon	●	●	●	●	●	●	N/A	●
Victoire Boissier	●	●	●	●	●	●	N/A	●
Dominique Dudan	●	●	●	●	●	●	N/A	●
Pascale Roque	●	●	●	●	●	●	N/A	●
Jean-Louis Constanza	●	●	●	●	●	●	N/A	●
NON-INDEPENDENT DIRECTORS								
Éric Le Gentil	●	●	●	●	●	●	●	●
Vincent Ravat	●	●	●	●	●	●	●	●
Élisabeth Cunin	●	●	●	●	●	●	N/A	●

● Independence criterion met ● Independence criterion not met

04

Rigorous selection process

New directors are recruited according to the needs of the Board of Directors, particularly in terms of skills and experience. The comments made when the Board's operations are assessed by the directors already in post are taken into account.

Independent external firms specializing in the recruitment of executives and corporate officers are charged with finding applicants.

A selection of varied profiles is presented to the Appointments, Compensation and Governance Committee. It then selects certain candidates. The Chairwoman of the Committee and the Chairman of the Board of Directors conduct interviews with the shortlisted candidates who have confirmed their interest, and update the Committee accordingly. The Appointments, Compensation and Governance Committee then issues an opinion to the Board of Directors. The latter decides on the proposed profile(s).

Implementation in 2024 and 2025

In 2024, the Board of Directors decided to launch the process of recruiting a new director. To this end, it appointed an independent specialized firm.

On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors decided on February 12, 2025 to submit to the General Meeting of April 29, 2025 the candidacy of Arnaud Le Mintier as director:

- Arnaud Le Mintier would be classed as an independent director, as verified by the Board of Directors.
- Through his entrepreneurial experience and within institutional asset management companies, he has comprehensive knowledge of the real estate, urban planning and construction segments, perfectly aligned with Mercialis' strategic challenges. In addition, his expertise in the structuring of development and fundraising operations would make him an ideal candidate for the Sustainable Investment Committee.

► **DIRECTORS' SELECTION PROCESS**

	Definition of needs		Selection		Appointment
Independent Directors	Definition of needs by the Board of Directors	Identification of potential candidates by a recruitment firm	Shortlist drawn up by the Appointments, Compensation and Governance Committee followed by interviews between the chosen candidates, the Chairwoman of the Committee and the Chairman of the Board of Directors	Formulation of an opinion by the Appointments, Compensation and Governance Committee	Co-option by the Board of Directors and proposal for ratification by the General Meeting OR Proposal for appointment by the General Meeting
Directors who are executive corporate officers	Definition of needs by the Board of Directors	Proposal from the Appointments, Compensation and Governance Committee			Co-option by the Board of Directors and proposal for ratification by the General Meeting OR Proposal for appointment by the General Meeting

Reappointment

Reappointments of directors are proposed with a view to maintaining the required balance and ensuring the availability of a set of skills commensurate with the Company's activities, strategic priorities and the duties entrusted to the Board Committees. Account is also taken of:

- their desire to be involved in the Company's development;
- their contribution to the work of the Board;
- their sensitivity to CSR commitments; and
- their availability given the frequency of Board and Committee meetings.

The Appointments, Compensation and Governance Committee submits its recommendations to the Board of Directors, which decides whether or not to propose the renewal of directorships to the General Meeting.

The General Meeting of April 29, 2025 will have to vote on the renewal of the terms of office of four directors: Stéphanie Bensimon, Elisabeth Cunin, Pascale Roque and Éric Le Gentil.

B. Offices and positions held by members of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer as at December 31, 2024

Éric Le Gentil

CHAIRMAN OF THE BOARD OF DIRECTORS

Date of birth: June 20, 1960 - French nationality

Business address: 16-18 rue du Quatre-Septembre – 75002 Paris

Number of Mercialis shares held at December 31, 2024: 28,698

EXPERTISE AND EXPERIENCE

Éric Le Gentil is a graduate of the École Polytechnique, of the Institut d'Études Politiques de Paris and of the Institut des Actuaire français. He began his career in 1985 in insurance auditing. From 1986 to 1992, he held various positions within the French Ministry of Finance including that of advisor on insurance matters to Pierre Bérégovoy's cabinet. From 1992 to 1999, he held various roles at Athéna Assurances and AGF Assurances. He joined the Generali France group in 1999 as Chief Executive Officer of Generali Assurances Vie & Iard. In December 2004, he was appointed Chief Executive Officer of Generali France Assurances. From July 17, 2013 until February 13, 2019, Éric Le Gentil was Chairman and Chief Executive Officer of Mercialis. Since February 13, 2019, he has been Chairman of the Board of Directors of the Company.

MAIN POSITION

Chairman of the Board of Directors of Mercialis*

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date of appointment ⁽¹⁾	Date when term will expire
• Director	February 13, 2013	OGM of April 29, 2025
• Chairman of the Board of Directors	February 13, 2013	Board meeting to be held after the OGM on April 29, 2025
• Member of the Appointments, Compensation and Governance Committee	January 20, 2021	OGM of April 29, 2025
• Member of the Sustainable Investment Committee ⁽²⁾	February 14, 2024	OGM of April 29, 2025

OTHER OFFICES AND POSITIONS HELD IN 2024

Within and outside of the Mercialis group

- None

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Member of the Mercialis* Strategy and Transformation Committee
- Member of the Mercialis* Investment Committee and member of the Appointments and Compensation Committee
- Chairman of Ergera
- Senior Advisor at Datafolio

(1) Éric Le Gentil was the permanent representative of Generali Vie, a director of Mercialis, from January 1, 2009 to February 13, 2013.

(2) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	In-depth knowledge of real estate and asset management: in charge of asset management and real estate at Generali France from 2002 to 2013, former Chairman and Chief Executive Officer of Mercialis and Chairman of the Board of Directors of the Company since February 2019.
Finance, accounting	Chief Financial Officer of PFA Athena Assurances from 1993 to 1996; in charge of the steering functions of Generali France (Finance, Accounting, Risks and Audit Department) from 2002 to 2013; experience as a company executive.
Company management	Over 25 years of management and senior management experience in the insurance and real estate sectors.
Legal, compliance, risks	Proven experience in compliance and risks: 27 years in the insurance industry and 6 years as Chairman and Chief Executive Officer of a listed company.
Governance, ethics	Chairman of the Board of Directors of a listed company for more than 10 years; outside Mercialis, director of numerous listed and unlisted companies and member of advisory committees for nearly 15 years, including companies outside France; IFA member.
Human Resources, social	Management of teams of 100 to 3,000 people for more than 25 years.
Environment, climate	Expertise developed as part of the Mercialis management team and through involvement in the establishment of the CSR strategy; member of the Chapter Zero France association; Carbone 4 training.
Retail, customer service	In charge of the distribution network for general agents from 1996 to 1999 at PFA Athena Assurances and then at AGF Assurances; former Chairman and Chief Executive Officer of Mercialis.

Vincent Ravat

CHIEF EXECUTIVE OFFICER - DIRECTOR

Date of birth: March 15, 1974 - French nationality

Business address: 16-18 rue du Quatre-Septembre – 75002 Paris

Number of Mercialys shares held at December 31, 2024: 122,582

EXPERTISE AND EXPERIENCE

Since February 2019, Vincent Ravat has served as Chief Executive Officer of Mercialys. He has also been a director of the Company since June 15, 2022. Deputy Chief Executive Officer from August 2016 to February 2019, Vincent Ravat joined Mercialys in January 2014 as Deputy Managing Director in charge of the letting, operations and marketing & communication teams. Previously, he served from 2011 as Director of Operations France for Hammerson, a real estate investment, development and management group, listed on the London Stock Exchange. From 2000 to 2010, he held various positions in Asia, Switzerland, Spain and France with the Ludendo and Distrityoys groups, of which he was a member of the Executive Committee. He is a graduate of ESC Rouen (now Neoma Business School) and member of the Royal Institution of Chartered Surveyors (MRICS) since November 2015.

MAIN POSITION

Chief Executive Officer of Mercialys*

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Chief Executive Officer	February 13, 2019	Board meeting to be held after the OGM on April 29, 2025
• Director	June 15, 2022	OGM 2027
• Member of the Sustainable Investment Committee ⁽¹⁾	February 14, 2024	OGM 2027

OTHER OFFICES AND POSITIONS HELD IN 2024

Within the Mercialys group

- Member of the Strategic Committee of SCI Rennes-Anglet
- Member of the Strategic Committee of SCI Rennes-Anglet

Outside the Mercialys group

- Director of Initiative France
- Director of the Institut pour la Ville & le Commerce
- Director of the Fédération des Entreprises Immobilières
- Executive Vice-Chairman and member of the Board of Directors of the Fédération des Acteurs du Commerce dans les Territoires
- Member of the Strategic Committee of Colbr

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Member of the Mercialys* Strategy and Transformation Committee
- Manager of Cyperus Saint André
- Manager of La Diane

⁽¹⁾ Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	High level of expertise in the real estate sector and asset management acquired in various management positions within the companies Hammerson and Mercialys.
Finance, accounting	Graduate of ESC Rouen with a major in "Corporate Finance"; various management functions held within companies leading to involvement in numerous financing transactions and in the accounting and analytical management of these same companies.
Company management	Manager of various specialized retail companies, including one in Spain, one in Switzerland, one in Hong Kong and one in China; Deputy Chief Executive Officer then Chief Executive Officer and director of Mercialys; member of the Strategic Committee of a French start-up, advising it on the management of its activity and its growth.
Legal, compliance, risks	Permanent member of the Mercialys Risks Prevention Committee since its creation in September 2016; highly experienced in the prevention of health and safety issues in companies and establishments open to the public.
Governance, ethics	Holds various directorships, giving him a wealth of experience in governance; IFA member; as a member of RICS since November 2015, he fully adheres to its Code of Conduct by applying and promoting the highest ethical standards in development, land management, real estate, buildings and works. The status of member of the Institution also requires the continuous updating of professional skills, expertise and behavior, notably but not exclusively through mandatory ongoing training, also necessary for the renewed validity of the Carte Professionnelle in France.
Human Resources, social	Significant experience in social and human resources issues developed by managing various companies, in particular in France, but also in Spain (including during the difficult economic and social crisis of 2008), Switzerland and China with in each case more than a hundred employees.

Environment, climate	Heavily involved in the development of Mercialys' various strategic CSR plans with a particular focus on energy sobriety and the energy transition with a view to decarbonizing the Company's real estate portfolio and activities; member of the Chapter Zero France association; Carbone 4 training.
Retail, customer service	10 years of experience in retail groups in France and abroad with responsibilities covering all specialized retail and distribution functions.
Innovation, marketing, information systems	Marketing experience in specialized retail and as Deputy Managing Director in charge of the lettings, operations and marketing & communication teams at Mercialys; implementation of various information systems projects both for front office and back office in the real estate and retail sectors.

Elizabeth Blaise

DEPUTY CHIEF EXECUTIVE OFFICER – NON-DIRECTOR

Date of birth: July 2, 1976 - French nationality

Business address: 16-18 rue du Quatre-Septembre – 75002 Paris

Number of Mercialis shares held at December 31, 2024: 69,026

EXPERTISE AND EXPERIENCE

A graduate of the Institut d'Études Politiques de Paris, Elizabeth Blaise began her auditing career at Mazars & Guérard. In 2001, she joined Oddo Securities as a financial analyst, first in the building materials sector, then in real estate in France. She expanded her scope to European real estate by joining Exane BNP Paribas in 2007 in London. She took on the role of Director of Financial Communications and Strategic Studies for Gecina between 2010 and 2014. Elizabeth Blaise held the position of Chief Financial Officer of Mercialis between 2014 and 2022 and since February 2019, that of Deputy Chief Executive Officer.

MAIN POSITION

Deputy Chief Executive Officer of Mercialis*

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Deputy Chief Executive Officer	February 13, 2019	Board meeting to be held after the OGM on April 29, 2025

OTHER OFFICES AND POSITIONS HELD IN 2024

Within the Mercialis group	Outside the Mercialis group
• Permanent representative of Mercialis on the Board of Directors of OPCI UIR II	• Director and Treasurer of the Fédération des Entreprises Immobilières

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- None

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Extensive knowledge of the real estate sector, first developed as a financial analyst in this sector, then at Gecina and Mercialis.
Finance, accounting	25 years of experience in the finance industry; Chief Financial Officer of Mercialis from 2014 to 2022 overseeing the Finance and Rental Management Department.
Company management	Deputy Chief Executive Officer of Mercialis since 2019.
Legal, compliance, risks	Strong expertise in real estate law, corporate law, as well as transaction structuring.
Governance, ethics	Extensive experience in coordinating the governance of listed companies, including the integration of best practices into compliance strategies; supervision of the Board Secretary; participation in the Proxinvest Steering Committee since November 29, 2023; contact person for the Risks Prevention Committee, incorporating ethical elements and training all employees on this issue since 2018; IFA member.
Human Resources, social	Direct management of several departments and cross-functional management as Deputy Chief Executive Officer.
Environment, climate	Heavily involved in the organization and implementation of new CSR measures at Mercialis; supervision of the CSR Department; sponsor of the CSRD roll-out project; Carbone 4 training.
Innovation, marketing, information systems	Overseeing the migration to new systems of the Company's entire IT system related to financial, legal and rental management functions; training leading to the Ecole Polytechnique certification: data and artificial intelligence.

Maël Aoustin

INDEPENDENT DIRECTOR

Date of birth: August 9, 1980 - French nationality

Business address: 91 boulevard Haussmann - 75008 Paris

Number of Mercialis shares held at December 31, 2024: 2,000

EXPERTISE AND EXPERIENCE

Maël Aoustin has an engineering degree from INSA Lyon, a Master of Science from Brunel University of London and a Master's degree from HEC Paris. He has been Chairman of the Management Board of Uxco Group since March 2022, an integrated investment, development and operations group specializing in residential, student and hotel real estate, majority owned by Brookfield Asset Management. Maël Aoustin has nearly 20 years of experience in real estate, including 12 years at Unibail-Rodamco where he held various management positions in France and abroad in investment, asset management and operations. He was then appointed Chief Executive Officer of commercial real estate company Galimmo from 2016 to 2022, and has been responsible for mergers and acquisitions and real estate for the Louis Delhaize retail group.

MAIN POSITION

Chairman of the Management Board of Uxco Group

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	April 27, 2023	OGM 2026
• Member of the Audit, Risks and Sustainable Development Committee	April 27, 2023	OGM 2026
• Chairman of the Audit, Risks and Sustainable Development Committee	February 14, 2024	OGM 2026
• Member of the Sustainable Investment Committee ⁽¹⁾	February 14, 2024	OGM 2026

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

- Chairman of the Management Board of Uxco Group
- Member of the Supervisory Board of Appart City
- Chairman of the Management Board of Uxco Management

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Deputy director and member of the Board of Directors of Galimmo Real Estate (Belgium)
- Director and member of the Board of Directors of Immomatch (Luxembourg)
- Chairman of Galimmo*

(1) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Employee then manager of real estate companies for nearly 20 years in the investment, asset management and development industries.
Finance, accounting	Responsible for the overall financial management of real estate companies, particularly listed companies (Galimmo from 2016 to 2022).
Company management	Manager of real estate companies (Galimmo, Uxco Group) since 2016 and member of the Executive Committee of an international retail group for 5 years.
Governance, ethics	Member of the Boards of Directors of various listed and unlisted companies since 2016.
Human Resources, social	In charge of Human Resources policy within the context of management positions and as a company director. Uxco Group has 1,500 employees.
Environment, climate	In charge of overseeing the CSR strategy and its implementation at Galimmo then Uxco Group; Carbone 4 training.
Retail, customer service	Former manager of a retail real estate company and former member of the Executive Committee of an international retail group (Louis Delhaize); directly exposed to the challenges of retail and customer service.
Innovation, marketing, information systems	Implementation, steering and participation in innovation committees at Unibail-Rodamco, Galimmo and Uxco Group.

Stéphanie Bensimon

INDEPENDENT DIRECTOR

Date of birth: May 6, 1976 - French nationality

Business address: 20 place Vendôme – 75001 Paris

Number of Mercialis shares held at December 31, 2024: 4,600

EXPERTISE AND EXPERIENCE

Stéphanie Bensimon has a DESS in Finance from the Université Paris IX Dauphine. Managing Director in charge of real estate activities since 2016, she has been Head of Real Estate for Ardian in Europe since 2020. She has over 25 years of experience in real estate investment, including 5 years at Invesco Real Estate where she was Head of Investments for France, Belgium and Southern Europe from 2011. Prior to this, she worked for Carval Investors, a subsidiary of the Cargill group, and at GE Real Estate group where she was in charge of real estate investment in Europe. She is also in charge of the sustainability team as Chair of the Sustainability Committee. She is also a member of the Management Board of Ardian France and member of the Executive Committee of Ardian group.

MAIN POSITION

Head of Real Estate, in charge of real estate activities, at Ardian France

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	June 7, 2018	OGM of April 29, 2025
• Member of the Audit, Risks and Sustainable Development Committee	June 7, 2018	OGM of April 29, 2025
• Chairwoman and member of the Sustainable Investment Committee ⁽¹⁾	February 14, 2024	OGM of April 29, 2025

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

• Director of Poste Immo • Member of the Management Board of Ardian France • Member of the Executive Committee of Ardian France • Chairwoman of Areefnap1 and member of the Strategy Committee • Chairwoman of Areefnio1.SAS and member of the Strategy Committee • Chairwoman of Francisfirst JV SAS • Chairwoman of Francisfirst2 SAS • Chairwoman of RamREF 2 SAS and member of the Strategy Committee • Manager of SCI Charlotte • Manager of SCI Tamara • Manager of La Galaxie • Manager of ORYOM17H3	• Director of Areef II – SICAF (Italy) • Director of Areef II Palio – SICAF (Italy) • Co-Manager of AreefSarl GE 1.0. (Luxembourg) • Co-Manager of AreefSarl GE 1.1. (Luxembourg) • Co-Manager of AreefSarl GE 1.2. (Luxembourg) • Member of the Supervisory Board of Ardian Germany GmbH (Germany) • Co-Manager of SCI Vesta S18 • Co-Manager of SCI R4 • Co-Manager of SCI Vesta R4 • Co-Manager of Kara Top Co

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

• Chairwoman of the Mercialis* Audit, Risks and Sustainable Development Committee and member of the Strategy and Transformation Committee • Chairwoman of Areefnap2 • Chairwoman of Areefnio2.SAS	• Director of Areef I - SICAF (Italy) • Member of the Board of Areef I SCS, SICAV SIF (Luxembourg) • Member of the Board of Areef II SCS, SICAV SIF (Luxembourg) • Member of the Board of Areef III SCS, SICAV SIF (Luxembourg)

⁽¹⁾ Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	More than 25 years of experience in real estate investment, notably within the companies Ardian, Invesco Real Estate, Carval Investors and GE Real Estate Group.
Finance, accounting	Confirmed experience in her various management positions after obtaining a DESS in Finance from the Université Paris IX Dauphine.
Company management	Managing Director in charge of real estate activities since 2016 and Head of the Real Estate activity for Ardian in Europe since 2020; member of the Executive Committee of Ardian France since 2023; Director of Poste Immo since 2017.
Governance, ethics	Member of the Management Board of Ardian France; member of the group's various investment committees; participation in all of the group's governance.
Human Resources, social	Team management for several years.
Environment, climate	Expertise developed as part of her various experiences in the real estate sector; management of the Ardian France Sustainability Department (Head of the Sustainability Steering Committee since September 2023 - 15 people); Carbone 4 training.
Retail, customer service	Expertise developed over the course of her many professional roles.

Victoire Boissier

INDEPENDENT DIRECTOR

Date of birth: December 28, 1967 - French nationality
Business address: 7 rue Touzet Gaillard - 93400 Saint-Ouen
Number of Mercialis shares held at December 31, 2024: 5,000

EXPERTISE AND EXPERIENCE

A graduate of EM Lyon and INSEAD, Victoire Boissier obtained the IFA - Sciences Po Company Director Certificate in 2023. From 1995 to 2008, she supported the development of the Yum Brands group in France, holding strategic and finance positions. From 2009 to 2017, she held the position of Vice-President Finance within the Louvre Hôtels group and was a member of its Executive Committee. In 2017, she joined the early learning and education group Grandir, which operates nurseries and schools in five countries, as Deputy Chief Executive Officer.

MAIN POSITION

Deputy Chief Executive Officer – Group Finance within the Grandir group

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	April 20, 2016	OGM 2026
• Member of the Audit, Risks and Sustainable Development Committee	April 23, 2020	OGM 2026
• Member of the Appointments, Compensation and Governance Committee	January 20, 2021	OGM 2026

OTHER OFFICES AND POSITIONS HELD IN 2024

Within and outside of the Mercialis group

- None

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Member of the Appointments and Compensation Committee of Mercialis*

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Experience in the management of hotel real estate, catering, nurseries.
Finance, accounting	Over 25 years of experience in financial management.
Company management	Significant experience: former Vice-Chairwoman of Finance at Louvre Hôtels Group; Deputy CEO of the early learning and education group Grandir.
Legal, compliance, risks	Compliance Manager (GDPR, Fraud) for the Grandir group.
Governance, ethics	Certification as a company director obtained in December 2023 from Sciences Po in partnership with the IFA (French Institute of Directors); IFA member.
Environment, climate	Head of CSR for the Grandir group; member of the Chapter Zero France association; Carbone 4 training.
Retail, customer service	Experience in multi-site retail activities (B2C).

Jean-Louis Constanza

INDEPENDENT DIRECTOR

Date of birth: April 16, 1961 - French nationality
Business address: 88 rue de Rivoli – 75004 Paris
Number of Mercialis shares held at December 31, 2024: 3,400

EXPERTISE AND EXPERIENCE

Jean-Louis Constanza holds a DEA in Marketing and Strategy from the Université Paris Dauphine, an MBA from INSEAD and is a graduate of the École Nationale Supérieure de l'Aéronautique et de l'Espace (ENSAE-SUPAERO). He has also studied at Stanford and UCLA. After his initial experience in the aeronautics sector at Aerospatiale then Packinox (1985-1991) and a stint in media consulting at Arthur D. Little (1991-1998), he joined Tele2 in 1998 where he developed Tele2 France then Tele2 Southern Europe. Tele2 is establishing itself as one of Europe's leading alternative voice telecommunications operators with more than 15 million customers. Building on this entrepreneurial success, Jean-Louis Constanza co-created Envie de Fraise (2006), one of the first fully online fashion brands. In the same year, he founded Ten, the first mobile operator to focus on mobile Internet, acquired by Orange. He was then Chief Executive Officer of Orange Vallée from 2007 to 2013, then Chief Innovation Officer at Critéo. In 2012, he co-founded Wandercraft, a leader in robotic exoskeletons for people with disabilities, where he held the position of Chief Business Officer in charge of products, marketing and new projects. He is also a member of the company's Board of Directors and was previously a director of Direct Energie, Ingenico and Visa Europe in London.

MAIN POSITION

Head of Development at Wandercraft

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	October 20, 2022	OGM 2027

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

- Director of Wandercraft

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Member of the Mercialis* Strategy and Transformation Committee

* Listed company.

Key areas of expertise

Finance, accounting	MBA Graduate from INSEAD (European Institute of Business Administration).
Company management	A seasoned entrepreneur who has been involved in the creation of several companies; former Chief Executive Officer of Orange Vallée; former director of Direct Energie, Ingenico and Visa Europe; director of Wandercraft.
Governance, ethics	Former Chairman of the Compensation and Appointments Committee on the Board of Directors of Visa Europe; involved in the White Paper on ethics in robotics in 2023.
Human Resources, social	Heavily involved in social issues, in particular the inclusion of people with disabilities as part of his work at Wandercraft.
Environment, climate	Co-founder of Direct Energie, sold to Total; French ambassador for Vista, a global project to decarbonize the Earth's atmosphere through the large-scale activation of natural carbon sinks; Carbone 4 training.
Retail, customer service	Design, implementation and operation of sales, distribution and customer service networks at Tele2 and Ten as Chief Executive Officer.
Innovation, marketing, information systems	Extensive experience in the Internet and telecoms sector, alternative telecom operators and in robotics and AI; in charge of marketing and the development of new products, exoskeletons and robots at Wandercraft.

Élisabeth Cunin

DIRECTOR

Date of birth: September 17, 1960 - French nationality
Business address: 100 rue du Calvaire – 59510 Hem
Number of Mercialis shares held at December 31, 2024: 3,132

EXPERTISE AND EXPERIENCE

Élisabeth Cunin is a graduate of the École Polytechnique, of ENSAE and the Institut d'Études Politiques de Paris. She began her career within McKinsey. She then moved to the retail sector, first with Dia, then with Etam. She became Chief Executive Officer of André in 2001 and then of Etam Lingerie in 2005. In 2011, she became Chairwoman of Comptoir des Cotonniers and Princesse Tam-Tam, brands owned by Japanese group Fast Retailing, which also owns Uniqlo. From October 2013 to September 2018, she pursued her career within the Camaïeu group as Chairwoman of the Management Board and then Chairwoman. In May 2019, Élisabeth Cunin was appointed Chairwoman of the Kiabi group.

MAIN POSITION

Chairwoman of Kiabi group

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	June, 6 2012	OGM of April 29, 2025
• Member of the Appointments, Compensation and Governance Committee	January 20, 2021	OGM of April 29, 2025

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

- Chairwoman and Chief Executive Officer and director of Bunsha International
- Director of the 1001 Fontaines non-profit organization
- Director of the Solfa non-profit organization

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Chairwoman and member of the Mercialis* Strategy and Transformation Committee
- Chairwoman of the company & EC
- Chairwoman and member of the Mercialis* Appointments and Compensation Committee

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Director of Mercialis for over 10 years.
Finance, accounting	More than 30 years in senior management with daily involvement in finance and accounting.
Company management	Seasoned leader in the retail sector.
Governance, ethics	Chairwoman of the Board of Directors of Kiabi since May 2019, structuring and monitoring the Specialized Committees; training within the Mulliez family association on governance-related topics, in particular directors' liability.
Human Resources, social	Expertise developed over more than 30 years in senior management positions.
Retail, customer service	Proven experience in the retail sector, notably at Dia, Etam, André, Comptoir des Cotonniers and Princesse Tam-Tam, Camaïeu; currently Chairwoman of Kiabi group.
Innovation, marketing, information systems	Expertise developed over 30 years mainly managing store networks (in particular product sourcing and customer marketing) that has enabled the repositioning of companies in a fast-evolving context, through initiatives combining data processing by artificial intelligence, interactions with the start-up ecosystem and the development of new business models focused on the circular economy and carbon neutrality.

Dominique Dudan

INDEPENDENT DIRECTOR

Date of birth: January 19, 1954 - French and Swiss nationality
Business address: 1 rue de Condé – 75006 Paris
Number of Mercialis shares held at December 31, 2024: 5,000

EXPERTISE AND EXPERIENCE

With a science background, Dominique Dudan joined the real estate industry in various operational roles. Then, between 1996 and 2005, she held the position of Head of Development with Accor Hotels & Resorts. She later joined HSBC Reim as Head of Operations and member of the Management Board, and then BNP Paribas Reim as Executive Vice-President and Head of Regulated Real Estate Funds. In 2009, Dominique Dudan created her own firm, Artio Conseil, while holding the position of Chief Executive Officer of Arcole Asset Management. In early 2011, Dominique Dudan became Chairwoman of Union Investment Real Estate France, a position she held until July 2015. From 2015 until 2018, she managed the French subsidiary of Warburg GmbH. She is a member of the Board of Directors of Gecina, and between 2017 and 2022 was a member of the Supervisory Board of Swiss Life Asset Managers France (formerly Swiss Life Reim – France). In addition, she has been Senior Advisor for LBO France since 2015. Dominique Dudan is a Fellow of the Royal Institution of Chartered Surveyors. She has been a long-term member of the MEDEF Economic Commission for the Service Professions Group and is a member of Club de l'immobilier d'Île-de-France. She has also been awarded the title of Chevalier de l'Ordre National du Mérite.

MAIN POSITION

Company director

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	April 26, 2018	OGM 2027
• Chairwoman and member of the Appointments, Compensation and Governance Committee	January 20, 2021	OGM 2027
• Member of the Sustainable Investment Committee ⁽¹⁾	February 14, 2024	OGM 2027

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

- Director, member of the Compliance and Ethics Committee and Chairwoman of the Appointments and Compensation Committee of Gecina*
- Member of the Supervisory Board and Chairwoman of the Audit and Risk Committee of Selectirente*
- Chairwoman and member of the Supervisory Board of Sofidy Pierre Europe (OPCI)
- Director of Apexia SPI Social Infrastructures (Morocco)
- Chairwoman of Nokomis Webstore
- Senior Advisor for the real estate section of LBO France Gestion
- Chairwoman and member of the Supervisory Board of Altixia Candence XII
- Member of the Supervisory Board of Altixia Commerces
- Vice-Chairwoman and Member of the Supervisory Board of Pierre Expansion
- Chairwoman of Artio Conseil
- Manager of SCI du 92
- Manager of SCI MMM & Co
- Manager of William's Hotel

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Member of the Mercialis* Strategy and Transformation Committee
- Member of the Audit and Risk Committee of Gecina*
- Member of the Supervisory Board and member of the Audit and Risk Committee of Swiss Life Asset Managers France (Switzerland)
- Chairwoman and member of the Mercialis* Investment Committee and member of Appointments and Compensation Committee

⁽¹⁾ Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Numerous operational positions in the real estate sector; former Chief Executive Officer of Arcole Asset Management; former Chairwoman of Union Investment Real Estate France; Director of Gecina; former member of the Supervisory Board of Swiss Life Asset Managers France; member of the Club de l'Immobilier d'Île-de-France.
Finance, accounting	Former Chief Operating Officer and member of the Management Board of HSBC Reim; former Deputy Chief Executive Officer and Head of Regulated Real Estate Funds at BNP Paribas Reim.
Company management	Significant experience in management positions and as a member of Boards of Directors and Supervisory Boards; creator of Artio Conseil.
Legal, compliance, risks	Chairwoman of the Audit and Risk Committee of Selectirente; member of Gecina's Compliance and Ethics Committee; member of the IFA (French Institute of Directors).
Governance, ethics	Chairwoman of Gecina's Governance, Appointments and Compensation Committee and member of the Ethics and Compliance Committee; IFA member.
Human Resources, social	Former Director of Operations at Accor Hotels & Resorts; managed up to 1,200 people, dealt with a wealth of HR topics.
Environment, climate	CSR training including Carbone 4 training; member of Time for the Planet; member of the Chapter Zero France association.
Retail, customer service	Former Head of Development at Accor Hotels & Resorts and member of the boards of numerous subsidiaries.

Pascale Roque

INDEPENDENT DIRECTOR

Date of birth: February 14, 1961 - French nationality

Business address: 16-18 rue du Quatre-Septembre – 75002 Paris

Number of Mercialis shares held at December 31, 2024: 3,454

EXPERTISE AND EXPERIENCE

Pascale Roque is a graduate of ESSEC. She began her career in 1985 at Air France, a group where she spent 15 years, and became involved in topics with major operational issues and organization transformation. In 2001, she joined the Accor hotel group, where she worked as the group's Director of international sales, then sales force and then call centers. In 2006, she was promoted to Chief Executive Officer of the Formule 1 and Etap Hôtel hotels. In 2009, she joined the Pierre & Vacances group as Chief Executive Officer of Résidences Pierre & Vacances and Maeva. In 2013, she became Chief Executive Officer France of the B&B Hotels chain. In 2016, Pascale Roque was brought back by the Pierre & Vacances Center Parcs group to take over the senior management of Pierre & Vacances Tourisme and accelerate the brand's international development, continue its move upmarket and open it up to franchising. Between 2020 and 2022, she was Chief Executive Officer of the Tourism division of Aream, an asset management company (Euro 4 billion), half of which involves the tourism sector (135 establishments in France, Belgium, the Netherlands and Germany). From April 2022 to October 2024, Pascale Roque was Chief Executive Officer of Hertz, France, in charge of the transformation of the business model, team and customer engagement, commercial performance management and asset optimization, primarily of the fleet.

MAIN POSITION

Company director

OFFICES AND POSITIONS HELD WITHIN MERCIALYS* AT DECEMBER 31, 2024

	Date appointed	Date when term will expire
• Director	October 24, 2017	OGM of April 29, 2025
• Member of the Audit, Risks and Sustainable Development Committee	December 21, 2017	OGM of April 29, 2025
• Member of the Appointments, Compensation and Governance Committee	February 14, 2024	OGM of April 29, 2025

OTHER OFFICES AND POSITIONS HELD IN 2024

Within and outside of the Mercialis group

- None

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Chief Executive Officer France at Hertz
- Member of the Executive Committee of the Pierre & Vacances group
- Chief Executive Officer of Pierre & Vacances Tourisme
- Chief Executive Officer of PV-CP Holding Exploitation
- Chief Executive Officer of PV-CP Gestion Exploitation
- Chief Executive Officer of PV Résidences & Resorts France
- Chief Executive Officer of SET Pierre & Vacances Guadeloupe
- Chief Executive Officer of SET Pierre & Vacances Martinique
- Permanent representative of PV-CP Gestion Exploitation on the Board of Directors of Sogire
- Director of PV Exploitation Belgique (Belgium)
- Director of Sociedad de Explotación Turística Pierre et Vacances España SL (Spain)
- Director of Bonavista de Bonmont SL (Spain)
- Director of Pierre & Vacances Italia SRL (Italy)
- Manager of Pierre et Vacances Maeva Tourisme Haute-Savoie
- Manager of the Société Hôtelière de l'Anse à la Barque

* Listed company.

Key areas of expertise

Real estate, construction, urban planning	Operational knowledge supplemented by investors' vision thanks to experience in Asset Management and Tourism Asset Development at Aream (independent real estate asset and fund management company).
Finance, accounting	ESSEC Business School training; expertise acquired in her various management positions; AMF certification.
Company management	Involved for 15 years in major operational issues and organizational transformation at Air France; several years of management experience in the hotel and car rental sectors.
Legal, compliance, risks	Member of the Pierre & Vacances-Center Parcs Group Risk Committee, SRI real estate certification for SCPI Aream Hotels.
Governance, ethics	20 years in senior management; ethics & governance training; AMF certified.
Human Resources, social	A high level of experience in operational Human Resources management in various senior management positions (Formule 1 / Etap hotel, Pierre & Vacances Tourisme, B&B Hotels France and Hertz France).
Environment, climate	Operational skills developed through numerous experiences in the hospitality sector (formerly Green Key certification) and more recently in short-term car leasing; knowledge of sustainable finance validated by AMF certification; Carbone 4 training.
Retail, customer service	Significant experience in retail and hospitality within the Accor, B&B Hotels and Pierre & Vacances-Center Parcs groups.
Innovation, marketing, information systems	Marketing via initial ESSEC Business School training and Marketing and Customer Care management positions at Air France and Accor.

C. Offices and positions held by Arnaud Le Mintier whose appointment as director is proposed

Arnaud Le Mintier

INDEPENDENT DIRECTOR

Date of birth: November 17, 1963 - French nationality
Business address: 2-22 places des Vins de France, Hall C - 75012 Paris, France
Number of Mercialis shares held at December 31, 2024: 0

EXPERTISE AND EXPERIENCE

Arnaud Le Mintier is an aeronautical engineer who graduated in 1986 from ESTACA (École Supérieure des Techniques Aéronautiques et de Construction Automobile). He was also awarded a master's degree in law from the Institute of Economic and Legal Studies Applied to Construction and Housing (ICH) in 2002 and RICS accreditation in 2004. He is also a member of various professional associations (ULI, CDCI, etc.). Arnaud Le Mintier began his career in the Grenadines, where he oversaw the building and management of a hotel. He then spent 12 years as Head of Development at Européenne Foncière et Patrimoine, where he specialized in residential real estate investments. From 2007 to 2014, he managed the French branch of Rockspring, a private real estate fund manager with Euro 7 billion in assets. In 2011, this branch obtained an asset management company license from the French Financial Markets Authority (AMF). He went on to join the French subsidiary of real estate company Cofinance, which he ran from 2014 to 2021. His role was to continue the growth and management of this real estate investment company. In 2021, Arnaud Le Mintier joined forces with the Virtuo group to create (it holds 25% of the share capital) and manage Virtuo Asset Management, a company specializing in logistics. This new entity performs fundraising and asset management operations on behalf of third parties.

MAIN POSITION

Chief Executive Officer of Virtuo AM

OTHER OFFICES AND POSITIONS HELD IN 2024

Outside the Mercialis group

- Manager of EURL PNA Développement
- Manager of SCI PNA
- Founding member and director of I2L (Institut en Innovation Logistique - engineering school based in Metz)

OFFICES AND POSITIONS ENDED DURING THE PAST 5 YEARS

- Chief Executive Officer of Cofinance
- Co-Manager of Cogistel

Key areas of expertise

Real estate, construction, urban planning	ICH training with practical applications developed during his various offices and in particular the significant project of developing a logistics hub on behalf of Fedex within Roissy airport.
Finance, accounting	Financial auditing and management of managed companies; direct relations with banks on the arrangement and management of financing for real estate acquisitions or developments and application of financial instruments (interest rate hedging).
Company management	Manager of various companies over the past 20 years; Director of Belgian companies during his term of office at Rockspring.
Legal, compliance, risks	ICH training with direct application during the management of his various posts as company director and in particular as part of the asset management company license issued in 2011 by the AMF to the Rockspring branch.
Governance, ethics	Expertise in ethical issues; RICS accreditation.
Environment, climate	Member of the Sustainable Development Committee formerly at Rockspring and currently at Virtuo, which is a "company with a mission", particularly committed to respecting and promoting environmental issues; participation in the 2 tonnes workshop and the Climate Fresk; creation of the internal sustainable development criteria for the selection of new logistics development projects.

D. Changes in the composition of the Board of Directors and its Specialized Committees during fiscal year 2024

	Departures	Appointments	Reappointments	Ratifications
Board of Directors	-	-	Victoire Boissier * (April 25, 2024) Jean-Louis Constanza * (April 25, 2024) Dominique Dudan * (April 25, 2024) Vincent Ravat (April 25, 2024)	-
Audit, Risks and Sustainable Development Committee	-	-	Victoire Boissier * (April 25, 2024)	-
Appointments, Compensation and Governance Committee	-	Pascale Roque * (February 14, 2024)	Victoire Boissier * (April 25, 2024) Dominique Dudan * (April 25, 2024)	-
Sustainable Investment Committee ⁽¹⁾	Élisabeth Cunin (February 14, 2024) Jean-Louis Constanza * (February 14, 2024)	Maël Aoustin * (February 14, 2024)	Dominique Dudan * (April 25, 2024) Vincent Ravat (April 25, 2024)	-

(1) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

* Independent director.

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E. Changes in the composition of the Board of Directors submitted to the General Meeting of April 29, 2025

Directors		
Whose term of office is coming to an end	Whose term of office is presented for renewal ⁽¹⁾	Whose appointment is proposed to the General Meeting of April 29, 2025 ⁽¹⁾
Éric Le Gentil Stéphanie Bensimon * Élisabeth Cunin Pascale Roque *	Éric Le Gentil Stéphanie Bensimon * Élisabeth Cunin Pascale Roque *	Arnaud Le Mintier *

(1) Following a recommendation from the Appointments, Compensation and Governance Committee.

* Independent director.

On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors proposes to the next General Meeting the renewal of the directorships of Stéphanie Bensimon, Élisabeth Cunin, Pascale Roque and Éric Le Gentil. These directorships would be for a three-year term, with the exception of that of Pascale Roque, which would be for one year. The Board ensures that directorships are staggered so as to avoid all coming up for renewal at the same time. It also proposes to the General Meeting the appointment of Arnaud Le Mintier as a director for a term of three years.

The Board considers that its new composition would allow it to be a balanced body, with members offering complementary expertise as well as strong knowledge of the sector and the Company.

In particular, the Board wishes to renew its confidence in its Chairman, Éric Le Gentil, who provides valuable support to Senior Management. He maintains excellent relations with stakeholders and plays an essential role in the smooth running of the Board.

Thus, and subject to approval by the General Meeting of April 29, 2025, following this Meeting, the Board would have 10 members. It would comprise, within the meaning of the criteria set out in the AFEP-MEDEF Code, 7 independent directors: Stéphanie Bensimon, Victoire Boissier, Dominique Dudan, Pascale Roque, Maël Aoustin, Jean-Louis Constanza and Arnaud Le Mintier. Independent directors would then make up 70% of the Board and 50% of them would be female.

4.1.1.3 Missions of the Chairman of the Board of Directors

As Chairman of the Board, Éric Le Gentil performs specific functions in addition to his Chairmanship of the Board, as follows:

- relations with major shareholders and with major financial and/or industrial partners;
- participation in strategy development and oversight of its implementation;
- interface between the Board of Directors and Senior Management.

Report on the activities of the Chairman of the Board of Directors for fiscal year 2024

During fiscal year 2024, the Chairman of the Board of Directors, in addition to the duties usually performed by a Chairman:

- kept himself informed, particularly in terms of governance and the financial and non-financial outlook, of:
- the expectations of shareholders and main financial and industrial partners,

- issues raised by the rating agency,
- discussions with proxy advisory firms,
- and was at their disposal;
- ensured that the Board addressed the issues raised;
- discussed the strategy and its implementation with the Chief Executive Officer;
- was consulted on financial communications;
- maintained regular dialogue with the Committee Chairs in order to prepare the work of the Board;
- met individually with each director.

4.1.2 Senior Management of the Company

Since February 13, 2019, Senior Management has been overseen by Vincent Ravat as Chief Executive Officer and Elizabeth Blaise as Deputy Chief Executive Officer.

Vincent Ravat has also been a director since June 15, 2022.

4.1.2.1 Restrictions on the powers of Senior Management

The Chief Executive Officer and the Deputy Chief Executive Officer have the most extensive powers to act on behalf of the Company in all circumstances, pursuant to Article L. 225-56 of the French Commercial Code. These powers are to be exercised within the scope of the Company's purpose and of the powers expressly conferred by law on General Meetings and on the Board of Directors. They represent the Company in its relations with third parties. However, as part of good corporate governance, the Board of Directors has decided to limit the powers of Senior Management and to make certain management initiatives subject to its prior approval, depending on their nature or the amount involved. The thresholds of the limits have been set in order to reserve the most significant transactions for the Board of Directors. The Chief Executive Officer cannot, therefore, carry out the following transactions without obtaining prior authorization from the Board of Directors:

- any transaction likely to affect the strategy of the Company and/or the companies it controls, their financial structure or the scope of their activity, in particular the signing or termination of any agreement likely to have a material effect on the future of the Company and/or its subsidiaries;
- any transaction or commitment exceeding Euro 10 million and, in particular:
 - any operation to subscribe for or purchase marketable securities, any deferred or immediate acquisition of an interest in any group or company on a *de jure* or *de facto* basis; any complete or partial divestment of interests or marketable securities,
 - any acquisition or assignment of claims, lease rights or other intangible assets,
 - any contribution or exchange, with or without consideration, affecting assets, rights, stocks or securities,
 - any acquisition or disposal of properties or real-estate rights,
 - any issue of securities by companies controlled directly or indirectly by the Company,
 - any measure with a view to granting or obtaining any loan, credit or cash advance,
 - any transactions and any settlements in the event of disputes.

However, the Euro 10 million threshold does not apply to internal transactions within the Mercialis group, which require the joint approval of the Chief Executive Officer and the Deputy Chief Executive Officer.

Specific annual authorizations

Senior Management, i.e. the Chief Executive Officer and the Deputy Chief Executive Officer, has specific authorized annual limits on guarantees, loans, credit facilities, commercial papers and bond issues.

The Board of Directors has authorized the Chief Executive Officer, for a period of one year, i.e. until December 31, 2025, to grant sureties, endorsements or guarantees on behalf of the Company:

- on behalf of its subsidiaries and in proportion to its shareholding, with no restrictions in terms of amount, subject to reporting on the use of this authorization at least once a year;
- up to a limit of Euro 10 million and to continue the sureties, endorsements and guarantees previously issued;
- with regard to tax and customs authorities with no restrictions in terms of amount.

Senior Management is also authorized to negotiate and implement, including to renew, extend or replace, borrowings, confirmed credit facilities, cash advances and all financing contracts, whether syndicated or not, up to a maximum amount of Euro 500 million per year. Senior Management is also authorized to set up mortgage loans up to a maximum amount of Euro 150 million.

In addition, Senior Management is authorized to negotiate and issue commercial papers up to a maximum of Euro 500 million.

Senior Management is also authorized to issue:

- bonds for a maximum total annual amount of Euro 550 million with a maturity of up to 10 years;
- convertible bonds to obtain Company shares up to a total par value of Euro 9.3 million, excluding premiums; and
- private placements of bonds, for a maximum total annual amount of Euro 200 million and with maturities of 5 to 15 years;

and, in this respect, to set the characteristics and procedures and to carry out all related market transactions.

Lastly, the Board of Directors has authorized Senior Management to partially buy back the existing bond issues maturing in February 2026, November 2027, February 2029 or September 2031 for a maximum nominal amount of Euro 300 million, excluding the premium linked to the buyback offer.

4.1.2.2 Executive Committee

In 2024, Mercialis set up an Executive Committee. This Committee is responsible for guiding the Company's strategic thinking, determining the objectives associated with the strategies adopted and ensuring their implementation and impact on all its business

lines, departments and projects. It also aims to accelerate decision-making on the development, organization and transformation of the Company and above all to ensure the proper dissemination, clarification and internal collegiality thereof.

The composition of the Executive Committee is as follows at December 31, 2024:

Member	Gender	Age at 12/31/2024	Seniority at 12/31/2024	Positions
Vincent Ravat	M	50 years	11 years	Chief Executive Officer
Elizabeth Blaise	F	48 years	10 years	Deputy Chief Executive Officer, corporate officer, in charge in particular of the Group's Financial Affairs, CSR and Legal Services Department
Philippine de Bruyn	F	39 years	0.6 years	Deputy managing director in charge of the portfolio and development, overseeing asset management, leasing activities and the management of retail and mixed-use projects, as well as the Company's activities in the Indian Ocean region
Fabrice Haurani	M	40 years	12 years	Deputy managing director in charge of investments, disposals and the management of the Company's equity interests
Stéphane Girard	M	56 years	4 years	Director of operations & external relations in charge of corporate communication, operations and B2C marketing departments
Camille Morel	F	40 years	0.3 years	Director of Human Resources

Irving Gauthier, Chief Financial Officer, attends Executive Committee meetings as Secretary.

4.1.2.3 Gender equality within ruling bodies

Mercialis is particularly keen to implement a diversity policy. Both Senior Management and the Board of Directors ensure the proper application of this policy (see measures described in § 2.5.2, p. 105 et seq.).

The Company demonstrates its respect for the principle of gender equality with balanced representation on the Executive Committee as well as on the front line, in Senior Management:

Senior Management*	Vincent Ravat, Chief Executive Officer Elizabeth Blaise, Deputy Chief Executive Officer
Executive Committee*	50% women

* At December 31, 2024.

At Group level, excluding the corporate officers, at December 31, 2024, women held 43% of the top 10% of positions of responsibility. At that date, women represented 38% of the Group's senior executives.

As gender equality is at the heart of the Company's concerns, Mercialis aims to maintain this momentum and approach perfect parity in the years to come. As Mercialis has a limited number of employees (177 as of December 31, 2024), gender parity can be volatile because each departure, arrival or internal transfer has a significant proportional impact on the overall statistics.

	2020	2021	2022	2023	2024
Percentage of women on the Executive Committee*	50%	50%	53%	57%	50%

* Figures relating to the Management Committee until 2023.

4.1.3 Succession plans

In 2023, the Appointments, Compensation and Governance Committee assessed possible options regarding the potential successors for the positions of Chairman of the Board and members of Senior Management, as well as the key functions identified in collaboration with the Chief Executive Officer and the Deputy Chief Executive Officer. As part of this work, different time frames were discussed:

- short-term: unplanned succession;
- medium-term: accelerated succession;
- long-term: planned succession.

Internal and external solutions were discussed.

These succession plans are reviewed and updated on a regular basis in line with the Company's needs. The next review is scheduled to take place in 2025.

4.1.4 Preparation and organization of the Board of Directors' work

4.1.4.1 Operation of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors determines the broad lines of the Company's business activities and ensures they are implemented. Except for powers expressly conferred on shareholders' General Meetings and within the limit of the Company's purpose, the Board of Directors concerns itself with all issues affecting the Company's operations and regulates the Company's affairs. It also conducts such audits and reviews as it deems appropriate.

The manner in which the Board of Directors' work is prepared and organized is defined by law, the Company's articles of association, the provisions of the Board of Directors' Rules of Procedure and the charters of Board's Specialized Committees.

The Board of Directors meets as often as required in the interests of the Company, and whenever the Board deems it appropriate. The Board of Directors' deliberations are only valid if at least half of its members are present. Decisions are taken based on a majority of the members present or represented. In the event of a tied vote, the Chairman of the meeting has the casting vote.

The Chairman organizes and directs the Board of Directors' work and reports on it to the General Meeting of shareholders. In this respect, the Chairman convenes meetings of the Board of Directors and draws up the agenda and minutes. The Chairman monitors the operation of the Company's various bodies and verifies in particular that the directors are capable of carrying out their duties.

A. Rules of Procedure of the Board of Directors

The organization and operation of the Board of Directors are governed by its Rules of Procedure, adopted on August 22, 2005. These were last modified on February 12, 2025. The Rules of Procedure also include the corporate governance principles which the Board upholds and applies.

They also describe the operating methods, assignments, powers and duties of the Board and its Specialized Committees:

- Audit, Risks and Sustainable Development Committee;
- Appointments, Compensation and Governance Committee; and
- Sustainable Investment Committee, formerly the Strategy and Transformation Committee.

The professional ethics rules and good governance principles applicable to the members of the Board of Directors are set out in § 4.1.8, p. 252 et seq.

The Rules of Procedure establish the principle that the functioning of the Board of Directors should be subject to regular formal appraisal. They also describe the manner in which, and on what terms, meetings are conducted and votes are taken, and enable the directors to take part in Board meetings by videoconference or other means of telecommunication. The Board's Rules of Procedure are made available to shareholders in this Universal Registration Document (see § 9.1.5, p. 400 et seq.). They may also be consulted online at the Company's website: www.mercialys.com.

B. Information on the Board of Directors

The conditions for exercising the right to information established by statute, and the obligations of confidentiality arising therefrom are specified in the Board's Rules of Procedure.

The Chairman of the Board of Directors is required to provide each director with all the documents and information they require to perform their duties.

Senior Management and the Board's Secretary are available to all directors to provide any information or pertinent explanation required.

Internal distribution of information

The information required for the examination of the points to be discussed by the Board of Directors is provided to Board members prior to Board meetings. Each director is therefore provided with a file containing all the information and documents relating to the items on the agenda, subject to its availability and depending on the progress made on these cases. The introduction of a secure platform has made it possible to digitize Board and Committee files, facilitating data transmission and archiving, and improving the level of confidentiality.

Board members are informed of changes in the markets and in the competitive environment, and of the primary challenges faced, including those related to the Company's Corporate Social Responsibility.

At least once every six months, Senior Management provides the Board of Directors with a statement on the Company's activity and that of its main subsidiaries, including in particular:

- revenues and changes in income;
- a report on investments and disposals;
- a summary of debt and the credit facilities available to the Company and its main subsidiaries;
- a list of the agreements covered by Article L. 225-39 of the French Commercial Code that were signed during the previous half-year period.

Between Board meetings, the Directors receive all important information about the Company or about any event that significantly affects the Company, about the transactions or information previously provided to them, or the subjects discussed at meetings. They are invited to the meetings where the financial results are presented to financial analysts and investors.

Welcome program

When directors take office, they receive all the information necessary for the performance of their duties and may ask to be provided with all documents they believe to be useful. They have individual meetings with each director or member of Senior Management. Meetings are also held with the heads of various departments so that they can improve their knowledge of the factors specific to the Company, its businesses and its markets.

Mercialys' teams are available to help new directors familiarize themselves with the Group's portfolio during site visits.

This program enables directors to understand the Company's strategic, competitive, environmental, societal and financial issues.

At the time of their appointment, the members of the Audit, Risks and Sustainable Development Committee are provided with information on the Company's specific accounting, financial and operational activities. If necessary, specific CSR training is offered to them.

Training

Each director may receive additional training if he or she deems it necessary. This may relate in particular to the specificities of the

Company, its businesses and business sectors and its CSR issues, in particular climate-related issues, as well as its accounting or financial aspects in order to perfect their knowledge. No director asked for training in 2024.

However, in 2023, the directors attended two CSR training courses:

- one, organized by Carbone 4, focused on climate change;
- the second, provided by the CSR Director, covered the specificities of ESG issues in the real estate sector.

In 2024, the members of the Audit, Risks and Sustainable Development Committee benefited from talks by Axa Climate about the carbon roadmap, as well as from Deloitte on the implementation of the CSRD (Corporate Sustainability Reporting Directive), the main analyses of which were sent to the Board of Directors. Training on cybersecurity and governance was also provided to all directors by a cybersecurity consultant and the Secretary of the Board of Directors. The Chief Information Officer had previously presented the Company's specific cybersecurity approach to governance.

Site visits

Since 2022, the Board of Directors has met once a year at one of the Mercialis sites. This meeting allows the directors to learn more about the portfolio and better understand certain topics.

In 2024, the directors visited Fenouillet, in the Toulouse metropolitan area. They explored La Galerie Espaces Fenouillet and its commercial environment. They benefited from presentations by employees who spoke to them about the challenges of the site.

Year	Site visited
2024	Toulouse / Galerie Espaces Fenouillet
2023	Saint-Étienne / Galerie Espace Monthieu
2022	Angers / Galerie Espace Anjou

4.1.4.2 Board of Directors' duties and activities

A. Calendar of Board of Directors' Meetings in 2024 and attendance arrangements

	02/14/2024	04/25/2024	06/13/2024	07/24/2024	10/17/2024	12/11/2024
Éric Le Gentil	👤	👤	👤	📞	👤	👤
Maël Aoustin*	📞	👤	👤	👤	👤	👤
Stéphanie Bensimon*	👤	👤	👤	📞	👤	👤
Victoire Boissier*	👤	📞	👤	👤	👤	👤
Jean-Louis Constanza*	👤	👤	👤	📞	👤	👤
Élisabeth Cunin*	👤	👤	👤	👤	👤	👤
Dominique Dudan*	👤	👤	👤	👤	👤	👤
Vincent Ravat	👤	👤	👤	👤	👤	👤
Pascale Roque*	👤	👤	👤	👤	👤	👤

* Independent director.



Physical presence



Attendance via telephone or video conferencing



Represented (having given proxy to another member of the Board of Directors)



Non attendance



B. Activity during 2024

In 2024, the Board of Directors met six times with an overall attendance rate of 100%.

The Chief Executive Officer and the Deputy Chief Executive Officer attended all meetings.

Various Group employees also attended these meetings to inform the Board about certain topics:

- the Chief Financial Officer;
- the Secretary of the Board;
- the CSR Director;
- the Deputy Managing Director in charge of the portfolio and development;
- the Director of Operations and external relations;
- the Sales Director;
- the Head of Asset Management;
- the Chief Information Officer; and
- the Head of Corporate Law.

The Board also benefited from the occasional presence of:

- the Statutory Auditors;
- a financial analyst.

Deliberations without the presence of executive corporate officers

The Board of Directors deliberated, without the presence of its Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer, on their respective compensation.

The directors of the Company also met on October 17, 2024, without the presence of the Chairman and the Chief Executive Officer. They submitted a report on their observations and recommendations to the Board of Directors. They expressed their satisfaction with the functioning of the Board and the relationship with Senior Management. They confirmed their intention to address the new challenges facing the Company.

The main topics examined by the Board of Directors in 2024 are listed below:

	Main work carried out in 2024
Financial position	Approval of the annual and half-year financial statements and review of the quarterly financial information, approval of the Management report
	Approval of the forward-looking management documents
	Convening of the Annual General Meeting and approval of the draft resolutions
	Presentation of the Statutory Auditors' work and review of their audit plan
	Review of the balance sheet, liquidity and hedging instruments
	Operational and financial performance monitoring and budget review
Activities, strategy and risk management	Review of regulated agreements and commitments
	Review of strategic outlook, portfolio development, asset disposal plans and investments
	Update on the market environment, activity and health of retailers
	Presentation of the Toulouse Fenouillet shopping center
	Monitoring of the risk mapping and internal audit plan
	Update on the measures implemented in terms of ethics
	Review of the cybersecurity system
	Review of the crisis management system
Corporate governance and compensation	Awareness-raising of artificial intelligence projects
	Approval of the corporate governance report and the special report on bonus shares granted
	Compensation policy for corporate officers
	Compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer for the previous fiscal year
	Powers granted to Senior Management
	Governance review
	Transformation of the Strategy and Transformation Committee into a Sustainable Investment Committee
	Review of the composition and Chairmanship of the Committees
	Allocation of bonus shares to key employees and all employees
	Assessment of the operation of the Board of Directors
Corporate social responsibility and sustainability information	Update of the Rules of Procedure of the Board of Directors, the Committee charters and the charter on related-party agreements
	Review of recommendations from proxy advisory firms
	Review and progress report on the CSR strategy, particularly in terms of climate change, verification of the achievement of objectives, and review of the carbon roadmap
	Approval of the Statement of non-financial performance
	Progress report on the implementation of the CSRD
	Review of the report of the lead director for CSR
	Review of the Company's workplace diversity, equality and equal pay policy
	Human Resources update: talent retention, workforce and organizational development

4.1.5 Specialized Committees

The Board of Directors is assisted by Specialized Committees composed exclusively of directors.

The latter are appointed by the Board of Directors for the duration of their directorships, in view of their training, expertise and experience. The skills of the members are listed in § 4.1.1.2, A, p.221. The Board also appoints the Chairperson of each Committee.

The assignments and specific operating methods of each Committee were defined by the Board when the Committees were set up and included in the Rules of Procedure. The Chairperson of each Committee reports to the Board of Directors on the work of each of its meetings.

At December 31, 2024, the Specialized Committees were composed as follows:

	Audit, Risks and Sustainable Development Committee	Appointments, Compensation and Governance Committee	Sustainable Investment Committee
	4 members, all independent ⁽¹⁾	5 members, 3 of whom are independent ⁽²⁾	5 members, 3 of whom are independent
Chairmen/women – Independent	Maël Aoustin	Dominique Dudan	Stéphanie Bensimon
Other independent members	Stéphanie Bensimon Victoire Boissier Pascale Roque	Victoire Boissier Pascale Roque	Maël Aoustin Dominique Dudan
Non-independent members	-	Éric Le Gentil Chairman of the Board of Directors Élisabeth Cunin	Éric Le Gentil Chairman of the Board of Directors Vincent Ravat Chief Executive Officer

(1) Committee at least two thirds composed of independent members in accordance with the AFEP-MEDEF Code.

(2) Committee composed mainly of independent members in accordance with the AFEP-MEDEF Code.

4.1.5.1 Audit, Risks and Sustainable Development Committee

A. Duties, responsibilities and activity during 2024

The Audit, Risks and Sustainable Development Committee helps the Board of Directors fulfill its role in reviewing and approving the full-year and half-year financial statements, and in examining any transaction, fact or event that may have a significant impact on the position of the Company or its subsidiaries in terms of commitments and/or risks. Its scope also covers the analysis of management risks and the detection and prevention of management anomalies. It is also responsible for monitoring the sustainable development policy.

In this capacity, in accordance with Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, the Audit, Risks and Sustainable Development Committee is responsible for matters relating to the preparation and control of financial and accounting information.

Its members all have expertise in finance, accounting and company management, as well as in the field of the environment and climate:

	Finance / Accounting	Company management	Legal / Compliance / Risks	Environment / Climate
Maël Aoustin	•	•		•
Stéphanie Bensimon	•	•		•
Victoire Boissier	•	•	•	•
Pascale Roque	•	•	•	•
	100%	100%	50%	100%

The main powers and duties of the Audit, Risks and Sustainable Development Committee, as well as the work carried out in 2024, are presented below:

Powers	Main duties and work carried out in 2024
Financial statements and Statutory Auditors	Review of the Group's annual and half-year financial statements, presentation of significant off-balance sheet commitments, discussions with the Statutory Auditors and review of the related reports before they are submitted to the Board of Directors
	Quarterly activity review
	Review of the forward-looking management documents
	Review of Senior Management's report on related-party and regulated agreements
	Review of the balance sheet, liquidity and hedging instruments
	Pre-approval of the provision of services other than the certification of the financial statements by the Statutory Auditors
	Review of the Statutory Auditors' audit plan
Internal control and risk management	Benchmark of the results of the real estate companies for 2023
	Review of internal control procedures and risk mapping (especially CSR) as well as the work carried out by the Risks Prevention Committee
	Update of the Responsible Lobbying Charter
Corporate social responsibility and sustainability information	Review of the cybersecurity system
	Review of the Statement of non-financial performance
	Validation of the achievement rate of the CSR criteria included in the variable compensation of corporate officers for 2023 and information on the CSR criteria included in the variable compensation of corporate officers in 2024
	Review of the implementation of the taxonomy
	Progress report on the implementation of the CSRD
	Progress report on the CSR strategy, particularly in terms of climate change, and verification of the achievement of objectives and review of the carbon roadmap
	Review of the relevance and integrity of the CSR information provided to the Board
	Update on the measures implemented in terms of ethics
	Update of the ethics charter

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Elizabeth Blaise, Deputy Chief Executive Officer, is the Committee's main contact. She attended all Committee meetings. Irving Gauthier, Chief Financial Officer, also regularly attends Committee meetings. However, dialogue takes place every year between the members of the Committee and the Statutory Auditors, in the sole presence of the Secretary of the Board.

The Statutory Auditors were heard during the review of the annual and half-yearly financial statements, as part of the presentation of their annual audit plan and their audit of the internal control systems. In addition, the firm assisting Mercialys in the implementation of the CSRD presented its work.

The Committee also heard from:

- the CSR Director;
- the Accounting Director;
- the Head of Consolidation;
- the Head of Treasury;
- the Ethics and Compliance Director; and
- the Chief Information Officer on cybersecurity.

The Committee was able to hear most of the members of the Risks Prevention Committee, namely:

- the Deputy Chief Executive Officer, who oversees the internal control system;
- the Chief Financial Officer;
- the CSR Director; and
- the Ethics and Compliance Director.

The Audit, Risks and Sustainable Development Committee has an organization and operating charter. It is available on the Company's website at: www.mercialys.com.

B. Calendar of Audit, Risks and Sustainable Development Committee meetings in 2024 and attendance arrangements

	02/13/2024	04/23/2024	07/23/2024	10/16/2024
Maël Aoustin* - Chairman (since February 14, 2024)				
Stéphanie Bensimon* - Chairwoman (until February 14, 2024)				
Victoire Boissier*				
Pascale Roque*				

* Independent director.



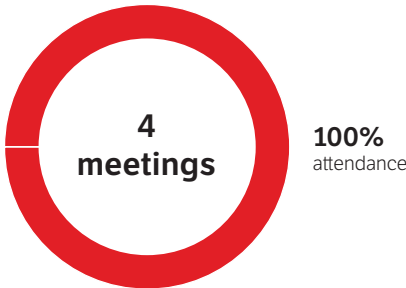
Physical presence



Attendance via telephone or video conferencing



Non attendance



4.1.5.2 Appointments, Compensation and Governance Committee

A. Duties, responsibilities and activity during 2024

The Appointments, Compensation and Governance Committee examines candidates for Senior Management positions and directorships. It prepares decisions on the compensation paid to Senior Management and the Chairman of the Board of Directors, and on the distribution of compensation awarded to directors and Committee members. It prepares the succession plan for executive corporate officers and key positions within the Company. It also examines draft bonus share plans.

It examines the composition of the Board of Directors. It implements and organizes the assessment of the operation of the Board of Directors. It regularly reviews market practices and keeps itself informed of investor-related challenges and proxy advisory firms at the General Meeting. It ensures compliance and proper application of the principles of corporate governance and rules of ethics.

The skills required by the members of this Committee are as follows: expertise in human resources, social, governance and ethics issues, dedicated legal issues and compliance issues.

The distribution of these skills between the members as of December 31, 2024 is as follows:

	Legal / Compliance / Risks	Governance / Ethics	Human Resources / Social
Dominique Dudan	•	•	•
Victoire Boissier	•	•	
Élisabeth Cunin		•	•
Éric Le Gentil	•	•	•
Pascale Roque	•	•	•
	80%	100%	80%

The main assignments and duties of the Appointments, Compensation and Governance Committee, as well as the work carried out in 2024, are presented below:

Powers	Main duties and work carried out in 2024
Compensation	Preparation of the setting of the compensation awarded to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer
	Compensation policy for corporate officers
	Review of proposed bonus share plans for employees and executives to enable the Board of Directors to set the overall total and/or individual number of warrants, options or shares awarded and the associated terms and conditions
Appointments	Review of the draft report of the Board of Directors on the bonus shares granted
	Review of the structure, size and composition of the Board of Directors and Specialized Committees
	Identification of priority skills in future director appointments
	Review of directors' independence and potential conflicts of interest
	Review of the composition and Chairmanship of the Committees
Governance	Organization of the procedure for selecting a new director
	Review of the project to transform the Strategy and Transformation Committee into a Sustainable Investment Committee
	Review of the draft corporate governance report
	Update of the Rules of Procedure of the Board of Directors, the Committee charters and the charter on related-party agreements
	Review of changes in corporate governance rules and identification of emerging practices in corporate governance in France
	Verification of compliance with governance rules within the Board
	Assessment of the operation of the Board of Directors
	Review of the specific powers to be granted to Senior Management with regard to sureties, endorsements and guarantees, loans and credit lines, and well as the issue of bonds and commercial papers
Human resources	Review of recommendations from proxy advisory firms
	Review of the Company's workplace diversity, equality and equal pay policy
	Human Resources update: talent retention, workforce and organizational development
	Review of the results of the Great Place To Work survey

Vincent Ravat, Chief Executive Officer, attended some of the Committee's meetings in 2024.

The Committee benefited from presentations by:

- the Deputy Chief Executive Officer;
- the Director of Human Resources;

- the Secretary of the Board; and
- the Head of Corporate Law.

The Appointments, Compensation and Governance Committee has an organization and operating charter. It is available on the Company's website at: www.mercialys.com.

B. Calendar of Appointments, Compensation and Governance Committee meetings during 2024 and attendance arrangements

	02/13/2024	04/23/2024	10/16/2024	12/11/2024
Dominique Dudan* - Chairwoman	👤	👤	👤	👤
Victoire Boissier*	👤	📞	👤	👤
Élisabeth Cunin*	👤	📞	👤	👤
Éric Le Gentil	👤	👤	👤	👤
Pascale Roque* (since February 14, 2024)	-	👤	👤	👤

* Independent director.



Physical presence



Attendance via telephone or video conferencing



Non attendance



4.1.5.3 Sustainable Investment Committee, formerly the Strategy and Transformation Committee

A. Transformation of the Strategy and Transformation Committee into a Sustainable Investment Committee

At its meeting of February 14, 2024, the Board of Directors decided, following the assessment of its operations, to transform the Strategy and Transformation Committee into a Sustainable Investment Committee.

B. Duties, responsibilities and activity during 2024

The duties of the Sustainable Investment Committee are notably to:

- examine the development strategy and ensure the consistency of acquisitions and disposals therewith;
- issue an opinion on the investment plan;

- study any Company investment or divestment plans;
- analyze the social, societal and environmental impacts of projects, investments and disposals.

It issues recommendations on the prior authorizations that the Board of Directors is required to grant to Senior Management.

The Board ensures that the members of this Committee have expertise in the following areas:

- Real estate/Construction/Urban planning;
- Environment/Climate;
- Retail/Customer service; and/or
- Innovation/Marketing/Information systems.

The distribution of these skills between the members as of December 31, 2024 is as follows:

	Real estate / Construction / Urban planning	Environment / Climate	Retail / Customer services	Innovation / Marketing / Information systems
Stéphanie Bensimon	•	•	•	
Maël Aoustin	•	•	•	•
Dominique Dudan	•	•	•	
Éric Le Gentil	•	•	•	
Vincent Ravat	•	•	•	•
	100%	100%	100%	40%

The main powers and duties of the Sustainable Investment Committee, as well as the work carried out in 2024, are presented below:

Powers	Main duties and work carried out in 2024
Strategy review	Transformation of the Strategy and Transformation Committee into a Sustainable Investment Committee and update of the Committee's charter
	Review of the development strategy and verification of the consistency of planned acquisitions and disposals with this strategy
	Issuance of recommendations in connection with the various extension, acquisition and asset disposal proposals submitted to the Board of Directors
	Review of the progress of certain previously authorized projects, as well as changes in the Group's development project portfolio
	Analysis of the market environment, activity and health of retailers
Review of agreements	Review of Senior Management's report on related-party and regulated agreements
Competition monitoring	Monitoring of changes in the Group's competitive environment
Monitoring of development plans	Implementation and monitoring of any Group development plans established by the Board of Directors

Elizabeth Blaise, Deputy Chief Executive Officer, attended all Committee meetings in 2024.

The Committee also heard from:

- the Deputy Managing Director in charge of investments, disposals and the management of the Company's equity interests;
- the Deputy Managing Director in charge of the portfolio and development;

- the Director of Indian Ocean activities;
- the Head of Investments; ;
- an Asset Manager.

Its opinions are adopted by simple majority.

The Sustainable Investment Committee has an organization and operating charter. It is available on the Company's website at: www.mercialys.com.

B. Calendar of Sustainable Investment Committee meetings, previously known as the Strategy and Transformation Committee, during 2024 and attendance arrangements

	02/13/2024	04/24/2024	06/12/2024	07/23/2024	10/16/2024	12/11/2024
Élisabeth Cunin* - Chairwoman (until February 14, 2024)		-	-	-	-	-
Stéphanie Bensimon* - Chairwoman (since February 14, 2024)						
Maël Aoustin* (since February 14, 2024)	-					
Jean-Louis Constanza* (until February 14, 2024)		-	-	-	-	-
Dominique Dudan*						
Éric Le Gentil						
Vincent Ravat						

* Independent director.



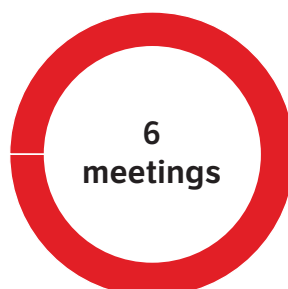
Physical presence



Attendance via telephone or video conferencing



Non attendance



100%
attendance

4.1.6 Corporate Social Responsibility

Both the Board of Directors and each Committee are involved in CSR matters. The duties and work carried out in this area in 2024 are presented below.

Board of Directors		
• Consideration of social and environmental issues in determining the direction of the Company's activity • Review and progress report on the CSR strategy, particularly in terms of climate change, verification of the achievement of objectives, and review of the carbon roadmap • Verification of the achievement of CSR objectives • Approval of the Statement of non-financial performance • Deliberation on the Company's workplace diversity, equality and equal pay policy • Monitoring of changes in Human Resources in terms of talent retention, workforce development and organization • Consideration of CSR skills for the appointment or reappointment of directors • Setting of performance criteria relating to CSR issues as part of Senior Management compensation • Progress report on the implementation of the CSRD • Review of the report of the lead director for CSR		
Audit, Risks and Sustainable Development Committee	Appointments, Compensation and Governance Committee	Sustainable Investment Committee
• Review and progress report on the CSR strategy, particularly in terms of climate change, verification of the achievement of objectives, and review of the carbon roadmap • Review of the Company's exposure to non-financial risks • Monitoring of the process of preparing non-financial information • Review of the Statement of non-financial performance • Review of the relevance and integrity of the CSR information provided to the Board • Assessment of the level of achievement of CSR-related performance criteria, as part of the setting of Senior Management compensation • Progress reports on the implementation of the taxonomy and the CSRD • Review of the measures implemented in terms of compliance and ethics	• Review of the Company's workplace diversity, equality and equal pay policy • Monitoring of changes in Human Resources in terms of talent retention, workforce development and organization • Consideration of CSR skills in its recommendations on the appointment or renewal of directorships • Preparation for the setting of CSR-related performance criteria in the context of Senior Management compensation	• Consideration of social and environmental aspects when reviewing development projects

Stéphanie Bensimon, Chairwoman of the Sustainable Investment Committee, is responsible for monitoring the CSR approach.

As such, she plays a key role in the integration of environmental, social and governance (ESG) issues into the Company's strategy and operations. She ensures that the decisions taken by the Board take into account sustainable development requirements and the expectations of stakeholders. She ensures that the information shared by Mercialis enables the directors and all of the Company's stakeholders to have a clear, accurate and comprehensive view of

the Company's consideration of CSR issues and its results in this area.

She promotes best practices in terms of sustainable development within the Board and plays a role in raising awareness among other directors. She contributes to the definition and steering of the Company's sustainability objectives. In 2024, Stéphanie Bensimon reported on her duties to the Board of Directors. She presented her conclusions and potential ways to optimize the Company's overall approach to CSR.

4.1.7 Assessment of the operation of the Board of Directors

In accordance with the AFEP-MEDEF Code, the Rules of Procedure provide for an annual assessment of the operation of the Board of Directors by the Appointments, Compensation and Governance Committee. The latter is responsible for organizing its implementation. The Committee calls on an independent external consultant at least every three years. In addition, individual meetings are held every year between the Chairman of the Board and each director. They are an opportunity to feed back on the assessment of the individual contribution of the directors.

At the end of 2024, the Board Secretary carried out an internal assessment of the operation of the Board. It was based on the analysis of questionnaires submitted in confidence by the directors.

The anonymized results of this assessment were presented to the Appointments, Compensation and Governance Committee and then to the Board of Directors.

During the second half of 2023, following a call for tenders, the Appointments, Compensation and Governance Committee entrusted the assessment of the operation of the Board to an independent external consultant, as it did in 2017 and 2020. This consultant sent out a questionnaire and then met individually with each director. All discussions held were confidential. It presented its report to the Appointments, Compensation and Governance Committee and to the Board.

In particular, the following points were covered:

- size and composition of the Board;
- organization and operation of the Board;
- individual contribution of each director;
- areas of expertise of the Board and subjects dealt with;
- relations between the Board, the Chairman, Senior Management and the Executive Committee;
- terms of office and compensation;
- organization and operation of the Committees, role of the Committee Chairs;
- risk management.

Outcome

The 2023 and 2024 assessments revealed very good governance at Mercialis. All the directors stated that they were satisfied with the smooth operation and composition of the Board and its Committees. Relations maintained with the Chairman of the Board and Senior Management were praised. The information provided and the discussions held are deemed to be of high quality. The Committees' contribution to the Board's work is positive. The directors appreciate the work carried out by the Committee Chairs.

A few areas for improvement were highlighted. The Board of Directors took note of this assessment, acknowledged the areas for improvement proposed and introduced measures to this effect.

	Highlights	Main areas for improvement and action carried out
2023	Competition, risks, ethics and CSR issues increasingly addressed	More in-depth handling of certain subjects: crisis management, cybersecurity and artificial intelligence : • The Audit, Risks and Sustainable Development Committee now reviews the cybersecurity system on an annual basis. A training course was held in 2024 on the subject of cybersecurity and governance. • The Board of Directors addressed the other two topics in 2024.
	Expertise and complementarity of members	In the event of a future recruitment, strengthen the Board's skills in the following areas, in no order of priority: • urban planning and exposure to local authorities, • digital expertise and artificial intelligence, • legal expertise and governance, • CSR. In 2024, the Board added the following items to this list: • structuring of development operations, • international experience. The proposed appointment of Arnaud Le Mintier, submitted to the General Meeting of April 29, 2025, takes these considerations into account.
	Freedom of debate	Leave more room for debate : • The time devoted to presentations has been reduced to allow for more discussions.
	Quality of projects and presentations	Ensure equal information for directors who are not members of the Committees by sharing minutes and agendas in advance: • The agendas of Committee meetings are sent to the directors prior to Board meetings. • The minutes will be more exhaustive.
	Board CSR training	Consider the creation of a CSR Committee : • After discussion, the Board declared itself satisfied with the treatment of CSR by its 3 Committees.
	Articulation of the Board and its Committees	Consider modifying the duties of the Strategy and Transformation Committee and organizing dedicated strategy Board meetings: • The Board decided to: - transform the Strategy and Transformation Committee into a Sustainable Investment Committee, so that the onus on strategy is returned to the Board, and - organize strategy seminars twice a year.
	Coordination of the Board by its Chairman, who knows how to decide or build consensus	Organize a half-day dedicated to the presentation of the entire management team .
2024	Fluid and trusting relationships with Senior Management and the management team	Organize informal social events to strengthen relations between directors.
	Availability and commitment of directors	Strengthen the diversity of the composition of the Board, both in terms of the experience and skills of its members as well as their age and seniority.
	High-level discussions, with real freedom of expression and respect for others	Provide more information on strategy, competitors, human resources and innovation.
	Introduction of strategic seminars and annual organization of an off-site Board meeting	Increase the Board's level of involvement in strategy and innovation, in the context of the Company's growth.

4.1.8 Ethics

The Board of Directors' Rules of Procedure, and in particular Section V thereof, set out the ethics rules to be respected by the directors. It indicates that each director must perform their duties in accordance with the rules of independence, ethics, loyalty and integrity. In particular it includes instructions concerning:

- directors' duty to inform;
- defending the corporate interest;
- the prevention and management of conflicts of interest;
- the diligence of directors;
- the protection of confidentiality; and
- ownership by the directors of shares in the Company.

The measures relating to the prevention of insider trading have also been grouped together, in the Stock Market Code of Ethics, to which the Rules of Procedure expressly refer. This Code was adopted in 2017 and updated most recently in February 2023. These documents may be consulted on the Company's website: www.mercialys.com.

Section V of the Rules of Procedure specifies that before accepting their assignment, each director must read:

- the legal and regulatory texts relevant to their position;
- applicable governance codes and best practices; as well as
- requirements specific to the Company resulting from the articles of association and Rules of Procedure.

Directors have a duty to request the information which they believe necessary to fulfill their role. To this end, they must submit a request to the Chairman of the Board of Directors, within the appropriate time limits, for all useful information required to effectively participate in meetings with respect to the matters on the Board's agenda.

In 2015, the Board of Directors decided to modify or complete its existing internal procedures and thus consolidate the good governance approach. A decision was therefore made to introduce a process of reviewing all related-party agreements.

With regard to the rules relating to the prevention and management of conflicts of interest, the Rules of Procedure specify that each director has an obligation to inform the Board of Directors of any actual or potential conflict of interest in which he or she could be directly or indirectly involved. In this case, he/she must abstain from attending the discussions and the vote on the corresponding deliberation. Furthermore, each director shall consult the Chairman of the Board of Directors before becoming involved in any business activity or accepting any position or obligation that may place them in a situation of actual or potential conflict of interest. The Chairman may refer such matters to the Appointments, Compensation and Governance Committee and/or the Board of Directors.

In addition to the aspects directly related to governance and their role, the directors are also informed of the Company's overall approach to ethics, in particular through the mandatory annual training provided to all employees. This relates in particular to:

- the fight against money laundering and financing of terrorism;
- preventing corruption and managing conflicts of interest;
- stock market ethics; and
- Human Resources aspects.

4.1.8.1 Procedure for prior review of related-party agreements by the Audit, Risks and Sustainable Development Committee and the Sustainable Investment Committee

The Board of Directors has established a systematic review procedure for related-party agreements (by involving the Audit, Risks and Sustainable Development Committee and the Sustainable Investment Committee, formerly the Strategy and Transformation Committee), over and above the procedure for regulated agreements and commitments as provided for by the French Commercial Code.

Thus, the Board of Directors has implemented a prior review procedure by the Audit, Risks and Sustainable Development Committee or by the Sustainable Investment Committee, depending on the nature of the agreement in question, before presentation to the Board of Directors for information or authorization of all agreements starting at the thresholds it has defined, with some exceptions between Mercialys or its wholly-owned subsidiaries and a related party.

A related party means:

- (i) any person or entity directly or indirectly holding 10% or more of the Company's share capital or voting rights;
- (ii) any executive of the Company;
- (iii) any entity having an executive in common with the Company;
- (iv) any entity controlled by, or controlling, directly or indirectly, a person or entity referred to in (i) or (ii) above.

Regulated agreements entered into by the Company are also subject to this procedure, regardless of their amount. At the request of Senior Management, this procedure may also be applied to any agreement that does not fall within the scope of this procedure, due to its characteristics. The Board of Directors may also, at the request of the Chairman of the Board of Directors, the Chairman of the Audit, Risks and Sustainable Development Committee, or the Chairman of the Sustainable Investment Committee, decide to entrust to an ad hoc Committee the prior review of an agreement with a specific related party due to the nature and importance of the proposed transaction.

A specific organization and operational charter for the procedure was established and approved by the Board of Directors, after an opinion from the Audit, Risks and Sustainable Development Committee. The Board of Directors' Rules of Procedure also include provisions relating to the principle of prior review of related-party agreements by the Audit, Risks and Sustainable Development Committee and the Sustainable Investment Committee.

4.1.8.2 Procedure for prior review of ordinary agreements by the Audit, Risks and Sustainable Development Committee and the Sustainable Investment Committee

As part of the transposition of Directive (EU) No. 2017/828 of May 17, 2017 establishing a mechanism for the management of agreements between listed companies and their "related parties," the Law of May 22, 2019 (Pacte Law) has reinforced the procedure for the verification of agreements covered by Article L. 225-38 of the French Commercial Code. It encourages Boards of Directors to regularly assess so-called "ordinary" agreements, entered into under normal conditions (Article L. 22-10-12 of the French Commercial Code).

As mentioned in § 4.1.8.1 above, the Board has adopted, in the context of the prevention of conflicts of interest and the protection of non-controlling interests, a charter on related-party agreements which entrusts to the Audit, Risks and Sustainable Development Committee and the Sustainable Investment Committee, formerly the Strategy and Transformation Committee, depending on the purpose of the agreement, the prior review of:

- (i) significant related-party agreements;
- (ii) agreements classified as regulated agreements from the first euro; and
- (iii) any other agreement between related parties by nature of its characteristics, at the request of Senior Management.

The Board of Directors has decided to assign the legal duty of the annual assessment of “unregulated” agreements to the Audit, Risks and Sustainable Development Committee or the Sustainable Investment Committee, depending on the purpose of the agreement. The Committee thereby responsible for this task will provide a report and its opinion to the Board of Directors when the Board carries out its annual review of prior regulated agreements.

The charter on related-party agreements now includes the system for the regular assessment of ordinary agreements entered into by Mercialis. It includes:

- a reminder of the main aspects of French law applicable to regulated agreements;
- a reminder of agreements falling outside the scope of Article L. 225-38 of the French Commercial Code;
- the principles for classifying agreements entered into by the Company, also referring to the criteria adopted by jurisprudence and the French Statutory Auditors’ association (Compagnie Nationale des Commissaires aux Comptes). The criteria are shared with the Statutory Auditors;
- a typology of ordinary agreements;
- the preparation of an annual report from Senior Management to the relevant Committee(s) concerning the assessment of the criteria for classifying agreements covered by Article L. 225-38 of the French Commercial Code and agreements classified as ordinary agreements;
- the assessment work by the relevant Committee, which can make use of any expert opinion and recommend to the Board that a particular agreement should be reclassified as a regulated agreement or an “ordinary agreement” as a result of its analysis table, or that the criteria should be modified.

The charter is available on the Company’s website at: www.mercialys.com.

4.1.8.3 Convictions

To the best of the Company’s knowledge, no member of the Board of Directors has, over the past five years:

- been convicted for fraud or been charged and/or publicly sanctioned by statutory or regulatory authorities;
- been associated as a senior executive with a bankruptcy, receivership or liquidation;
- been banned by a court from acting as a member of an administrative, managerial, or supervisory body of a publicly traded company, or from being involved in the management or conduct of a publicly traded company.

4.1.8.4 Restrictions accepted by the members of the Board of Directors concerning the disposal of their shares

Pursuant to the Company’s articles of association, each director should own at least 100 Mercialis shares. The Rules of Procedure specify that it is desirable that this shareholding corresponds to the equivalent of one year of compensation in respect of their directorship. The calculation is carried out:

- assuming their attendance, over a given fiscal year, at all meetings of the Board and the Committees to which they belong, excluding any compensation related to the Chairmanship of a Committee; and
- by using the weighted average price of Mercialis shares for the previous fiscal year as the value.

In addition, at the end of their 3-year vesting period, Vincent Ravat must retain the following in registered form:

- 100% of his shares acquired in respect of his long-term compensation for a period of at least 2 years following their vesting; and
- 50% of said shares until the end of his duties as corporate officer. For the bonus shares allocated on April 25, 2024, the obligation to retain 50% of the shares acquired for more than two years will continue to apply only until the total amount of shares held represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the previous fiscal year.

Subject to the above, to the best of the Company’s knowledge, there are no restrictions on the directors concerning the disposal of their investment in the Company’s equity capital other than the applicable statutory or regulatory provisions, regarding in particular the undertaking to refrain from trading in Mercialis’ securities as part of the prevention of misconduct and insider trading.

Each individual director undertakes not to short sell these securities, directly or indirectly, as Company shares held by directors must also be “pure registered” or “administered registered” in accordance with legal and regulatory requirements.

4.1.8.5 Insider trading prevention

The Company has a Stock Market Code of Ethics, which was last updated in February 2023. This Code includes a description of:

1. applicable legal and regulatory provisions;
2. the definition of insider information;
3. measures taken by the Company to prevent insider trading;
4. obligations of persons having access to insider information; and
5. penalties incurred.

The Code applies to corporate officers, persons closely linked to them, employees, and more generally to persons who may have access to sensitive or insider information.

It institutes:

- a Stock Market Ethics Committee, tasked primarily with answering any questions relating to the application of the Stock Market Code of Ethics; and
- an Inside Information Committee, tasked with assessing the potentially privileged nature of a piece of information.

The Stock Market Code of Ethics, just like the Board of Directors' Rules of Procedure, refers to observance of the prohibition against executing any transactions relating to the Company's securities and financial instruments:

- within a period of thirty calendar days prior to the announcement of an interim financial report or an end-of-year report that Mercialys is required to make public;
- starting from the date when a person has insider information and until such information ceases to be insider information, in particular because it has been publicly disclosed.

4.1.8.6 Diligence and accumulation of directorships

The Board of Directors' Rules of Procedure state that directors are required to devote the necessary time and attention to their duties. They must endeavor to be diligent and attend all Board of Directors meetings, General Meetings of shareholders, and meetings of Committees of which they are members. The procedures for setting and allocating directors' compensation adopted by the Company comply with the AFEP-MEDEF Code which recommends that the variable component linked to diligence should be predominant.

The Board of Directors' Rules of Procedure remind directors that they are required to comply with the statutory rules and with the recommendations of the AFEP-MEDEF Code, which state as follows:

- executive corporate officers shall not hold more than two other directorships in listed companies outside its group, including foreign companies, and shall request the Board's opinion before accepting a new corporate office in a listed company outside the Group;
- directors shall not hold more than four other directorships in listed companies outside the Group, including foreign companies. This recommendation applies at the time of the appointment or reappointment. Each director will inform the Company of any offices held in other French or foreign companies. They will inform the Company of any new office or professional responsibility without undue delay.

It has been verified that no directors whose directorships coming up for renewal at the Annual General Meeting are in a position whereby they are exceeding the guidelines for simultaneous directorships.

4.1.9 Conflicts of interest involving directors or senior management

To the best of the Company's knowledge, there are no potential conflicts of interest between the obligations of any member of the Board of Directors or Senior Management as regards the Company and his/her private interests.

There are no Service agreements in place between Mercialys and the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, or any of the directors. No agreement has been directly or indirectly entered into between a

subsidiary of Mercialys and a manager or significant shareholder of the Company. The Company has not granted or constituted any loans or guarantees to any members of its Board of Directors.

Furthermore, to the best of the Company's knowledge, there are no family ties between members of its Board of Directors.

The duties entrusted to the Specialized Committees, on which sit independent directors, make it possible to prevent conflicts of interest.

4.2 Compensation and benefits paid to directors and corporate officers

4.2.1 Directors' compensation and benefits

4.2.1.1 Principles of the compensation policy for directors

Several years ago, Mercialis introduced a compensation policy for directors which is intended to be balanced, virtuous and favorable to the Company's corporate interest. Accordingly, the directors receive compensation in return for sharing their expertise and for their involvement in good governance of the Company, both of which are sources of sustainable development. Mercialis complies scrupulously with the recommendations of the AFEP-MEDEF Code in this domain. In particular it takes all necessary steps to avoid situations leading to potential conflicts of interest, including those that may concern determination of the compensation (the independence of the directors is assessed annually by the Appointments, Compensation and Governance Committee). These procedures are detailed in § 4.1.1, 4.1.8 and 4.1.9, p. 218 et seq. and p. 252 et seq.

The principles Mercialis applies to its compensation policy for directors are:

- **membership of one or more governance bodies:** the directors' participation in Specialized Committees gives rise to the allocation of additional compensation. The Chairpersons of the Committees and of the Board also receive specific compensation in this capacity;
- **the workload and the level of responsibility involved in belonging to Specialized Committees:** the effort and time directors devote to the Company are taken into account;
- **the attendance:** compensation for directors includes a variable component that is larger than the fixed component, based on their effective individual rate of attendance at Board of Directors' and Specialized Committees' meetings. The variable component of compensation for directors and/or Committee members who have been absent is not reallocated, except in exceptional circumstances;
- **the possibility of exceptional compensation:** in the case of specific events or situations that result in extraordinary meetings of the Specialized Committees or Board of Directors, additional compensation may be allocated to all or some of the directors.

04

Mercialis determines and allocates the annual package for director compensation in accordance with the traditional procedure illustrated below:

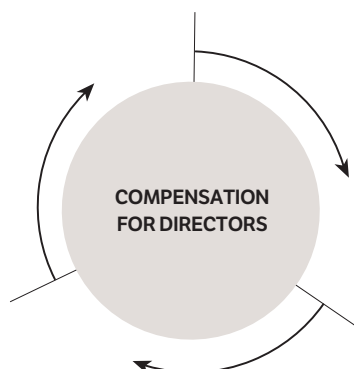
► METHODS FOR DETERMINING THE COMPENSATION POLICY FOR DIRECTORS

► APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

Formulation of recommendations to the Board of Directors:

On the arrangements for distribution of the overall compensation package for the directors for the previous year

On the amount of the overall compensation package for the directors for the upcoming year



► BOARD OF DIRECTORS

Determination of the methods for allocating the overall compensation package for the directors for the previous year

Proposal to the Annual General Meeting of shareholders of an overall compensation package for the directors for the upcoming year

► ANNUAL GENERAL MEETING OF SHAREHOLDERS

Ex post vote on the compensation allocated to the directors for the previous year

Ex ante vote on the overall package for compensation of directors for the upcoming year

4.2.1.2 Directors' compensation for fiscal year 2024

The General Meeting of April 25, 2024 set the overall compensation package for members of the Board of Directors and of the Specialized Committees at Euro 440,000, in accordance with the principles of the aforementioned policy.

On the basis of recommendations from the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of December 11, 2024, approved the terms and conditions for the allocation of directors' compensation for fiscal year 2024, which are as follows:

- the annual unitary amount of compensation of members of the Board of Directors is set at Euro 18,000. This compensation consists of a fixed component and a variable component awarded on the basis of attendance:

	Board of Directors
Fixed annual unitary amount	€5,000
Variable annual unitary amount (for 100% attendance)	€13,000

- additional compensation is paid to members of the Specialized Committees. It consists of a fixed component and a variable component. The amounts set for each Committee are as follows:

	Sustainable Investment Committee ⁽¹⁾	Audit, Risks and Sustainable Development Committee	Appointments, Compensation and Governance Committee
Fixed annual unitary amount	€4,000	€4,000	€4,000
Variable annual unitary amount (for 100% attendance)	€10,000	€10,000	€10,000
Additional amount paid to the Committee Chairperson	€6,000	€6,000	€6,000

(1) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

Note that:

- the individual or additional compensation indicated above is paid *pro rata temporis* depending on the date on which directorships began or ended;
- this compensation is paid in the month following the closing of each fiscal year;
- the corporate officers of Mercialys benefit from an insurance policy taken out by the Company and covering the civil, personal or joint liability of all its senior executives and corporate officers, including those of its subsidiaries, whether directly or indirectly owned. The tax authorities have ruled that this insurance policy covers the risks inherent in corporate officers' activity and that the insurance premium paid by the Company does not, therefore, constitute a taxable benefit.

On this basis, the total gross amount of compensation paid in January 2025 in respect of fiscal year 2024 to members of the Board of Directors and of the Specialized Committees was increased to Euro 375,167, from Euro 356,454 in respect of fiscal year 2023.

The tables below detail the compensation paid by Mercialys in 2023, 2024 and 2025 to each of the directors. It is stipulated that no compensation was paid by the companies it controls, and that the Company is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

It should be noted that the information concerning Éric Le Gentil, Chairman of the Board of Directors, and Vincent Ravat, Director and Chief Executive Officer, is also presented in full in § 4.2.2.2, B, p. 264 et seq. and § 4.2.2.4, B, p. 270 et seq.

► COMPENSATION PAID TO DIRECTORS IN 2023 AND 2024 (IN RESPECT OF FISCAL YEARS 2022 AND 2023)

(in euros)	Amounts paid in 2023	Amounts paid in 2024
Maël Aoustin	-	18,997 ⁽¹⁾
Stéphanie Bensimon	43,786	50,000
Victoire Boissier	36,458	42,429
Jean-Louis Constanza	2,236 ⁽²⁾	30,000
Élisabeth Cunin	43,583	50,000
Dominique Dudan	45,000	50,000
Jacques Dumas	26,250	11,028 ⁽³⁾
David Lubek	5,366 ⁽⁴⁾	-
Sébastien Pezet	0 ⁽⁵⁾	-
Vincent Ravat	13,575 ⁽⁶⁾	30,000
Pascale Roque	26,250	30,000
Michel Savart	9,934 ⁽⁷⁾	-
Generali Vie	7,493 ⁽⁵⁾	-
Subtotal excluding Éric Le Gentil, Chairman of the Board of Directors	259,931	312,454
Éric Le Gentil	40,000	44,000
TOTAL	299,931	356,454

(1) Appointment of Maël Aoustin on April 27, 2023.

(2) Co-option of Jean-Louis Constanza on October 20, 2022.

(3) End of the term of office of Jacques Dumas on April 27, 2023.

(4) Resignation of La Forézienne de Participations, represented by David Lubek, on April 28, 2022.

(5) Resignation of Generali Vie, represented by Sébastien Pezet, on July 1, 2022. Generali Vie received its compensation directly as a director on the Mercialis Board of Directors. Sébastien Pezet, permanent representative of Generali Vie, waived his compensation as a member of the Strategy and Transformation Committee.

(6) Co-option of Vincent Ravat on June 15, 2022.

(7) Resignation of Michel Savart on April 26, 2022.

► COMPENSATION PAID TO DIRECTORS IN 2025 (IN RESPECT OF FISCAL YEAR 2024)

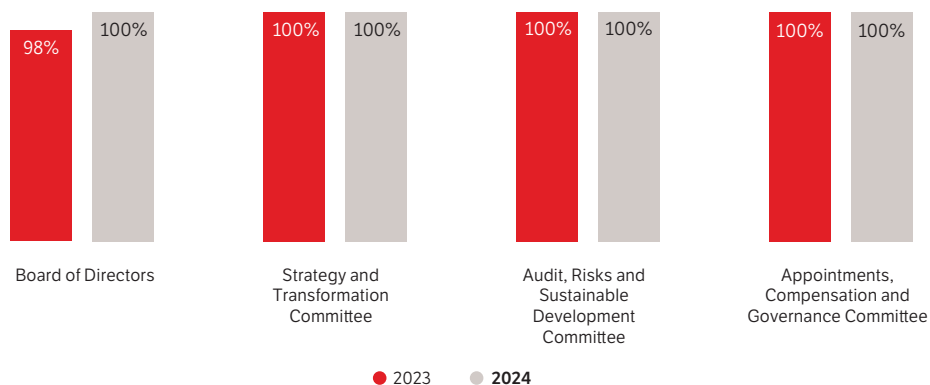
(in euros)	Specialized Committees								
	Board of Directors		Sustainable Investment Committee ⁽¹⁾		Audit, Risks and Sustainable Development Committee		Appointments, Compensation and Governance Committee		Total
	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	
Maël Aoustin	5,000	13,000	3,508	8,333	9,262	10,000	-	-	49,103
Stéphanie Bensimon	5,000	13,000	9,262	10,000	4,738	10,000	-	-	52,000
Victoire Boissier	5,000	13,000	-	-	4,000	10,000	4,000	10,000	46,000
Jean-Louis Constanza	5,000	13,000	492	1,667	-	-	-	-	20,159
Élisabeth Cunin	5,000	13,000	1,230	1,667	-	-	4,000	10,000	34,897
Dominique Dudan	5,000	13,000	4,000	10,000	-	-	10,000	10,000	52,000
Vincent Ravat	5,000	13,000	4,000	10,000	-	-	-	-	32,000
Pascale Roque	5,000	13,000	-	-	4,000	10,000	3,508	7,500	43,008
Subtotal excluding Éric Le Gentil, Chairman of the Board of Directors	40,000	104,000	22,492	41,667	22,000	40,000	21,508	37,500	329,167
Éric Le Gentil	5,000	13,000	4,000	10,000	-	-	4,000	10,000	46,000
TOTAL	45,000	117,000	26,492	51,667	22,000	40,000	25,508	47,500	375,167

(1) Transformation of the Strategy and Transformation Committee into the Sustainable Investment Committee on February 14, 2024.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

ATTENDANCE RATE AT MEETINGS OF THE BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES



4.2.1.3 Compensation policy for directors in respect of 2025

The Board of Directors proposes at the upcoming General Meeting to be held on April 29, 2025 to maintain the overall annual compensation package for directors at Euro 440,000.

The conditions for the distribution of directors' compensation would be as follows:

- the annual unitary amount of compensation for members of the Board of Directors would be maintained at Euro 18,000. This compensation consists of a fixed component and a variable component awarded on the basis of attendance:

Board of Directors	
Fixed annual unitary amount	€5,000
Variable annual unitary amount (for 100% attendance)	€13,000

- additional compensation is paid to members of the Specialized Committees. This would remain unchanged. This compensation consists of a fixed component and a variable component awarded on the basis of attendance. Additional amount paid to the Committee Chairperson:

	Sustainable Investment Committee	Audit, Risks and Sustainable Development Committee	Appointments, Compensation and Governance Committee
Fixed annual unitary amount	€4,000	€4,000	€4,000
Variable annual unitary amount (for 100% attendance)	€10,000	€10,000	€10,000
Additional amount paid to the Committee Chairperson	€6,000	€6,000	€6,000

In addition, unchanged from previous years:

- the individual or additional compensation indicated above will be paid *prorata temporis* depending on the date on which directorships began or ended;
- this compensation is paid in the month following the closing of each fiscal year;
- the corporate officers of Mercialys benefit from an insurance policy taken out by the Company and covering the civil, personal or joint liability of all its senior executives and corporate officers, including those of its subsidiaries, whether directly or indirectly

owned. The tax authorities have ruled that this insurance policy covers the risks inherent in corporate officers' activity and that the insurance premium paid by the Company does not, therefore, constitute a taxable benefit.

In the event that the Board of Directors must give its opinion by means of a written consultation, under the conditions provided by the regulations and the articles of association, the Board of Directors reserves the right to pay compensation for this consultation on a case-by-case basis, in addition to the aforementioned fixed and variable annual unitary amounts, within the limit of the annual budget.

4.2.2 Executives' compensation and benefits

4.2.2.1 Principles of the compensation policy for executives

Several years ago, Mercialis introduced a compensation policy for executives which is intended to be balanced, virtuous and aligned with the Company's strategy and such as to contribute to its long-term performance. The Board of Directors is aware of the responsibility associated with setting the compensation and objectives of the executives, and has therefore decided to adopt best industry practices, ensuring that the compensation policy will motivate executives, secure their loyalty and reward their

performance. The structure of these policies aims to comply with best practices by incorporating recommendations from stakeholders such as proxy advisors and regulatory authorities.

Its approach is based on 3 structuring principles:

1. objective recognition of performance;
2. valuation of extra-financial dimensions;
3. convergence of internal and external interests.

Objective recognition of performance	Valuation of extra-financial dimensions.	Convergence of internal and external interests
• Compensation linked to the Company's performance, via predominance of the variable component in the executives' compensation package • Annual and long-term variable compensation of executives consisting exclusively of quantifiable criteria	• Presence of quantifiable CSR criteria (including climate-related) in the annual variable compensation of executives since 2018 • Presence of a quantifiable climate-related CSR criterion in the long-term variable compensation of executives since 2020	• Alignment of the interests of executives and shareholders: long-term variable compensation paid in the form of shares subject to performance, service and ownership criteria • Internal fairness: measurement of differences in executive and employee compensation

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Mercialis complies with the recommendations defined by the AFEP-MEDEF Code when determining the compensation policy for its executives, i.e. exhaustiveness, balance between the components of compensation, benchmarking, coherence, intelligibility of the rules and measurement. Similarly, in accordance with the recommendations relating to the holding of shares by executive corporate officers, the two executive corporate officers of the Company are subject to obligations to retain shares issued under bonus share plans relating to the Company's long-term variable compensation scheme (see cross-reference table in the appendix to this chapter).

Mercialis also complies with the new recommendations included in the revised version of this Code published in December 2022 relating to the implementation of the CSR strategy. It has incorporated criteria related to the Company's social and environmental responsibility into the compensation for executives, at least one criterion being exclusively related to climate objectives.

The compensation policy is reviewed annually by the Board of Directors on the basis of these criteria, after consulting with the Appointments, Compensation and Governance Committee. It is submitted to a vote at the General Meeting of Shareholders in accordance with current regulations (*ex-ante* vote).

Pursuant to the provisions of Article L. 22-10-8, III of the French Commercial Code, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, may decide to adjust the provisions relating to the quantifiable variable components of the compensation for executive corporate officers in the event of exceptional circumstances and on a temporary basis, provided that the changes made are in the corporate interest and are necessary to ensure the Company's sustainability or viability. Events that could give rise to the use of this option are, in particular, any event beyond Mercialis' control that cannot be reasonably predicted or quantified when the compensation policy is approved, such as, in particular, the impacts of the COVID-19 pandemic.

As a reminder, Mercialis, for which the Board of Directors and the Appointments, Compensation and Governance Committee have independence rates of 67% and 60% respectively, has implemented the necessary procedures to avoid conflicts of interest within its governance bodies (see § 4.1.1, 4.1.8 and 4.1.9 p. 218 et seq. and p. 252 et seq.), and in particular those that may be used to determine the compensation of its executives.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

► PRINCIPLES AND METHODS FOR DETERMINING THE COMPENSATION POLICY FOR EXECUTIVES

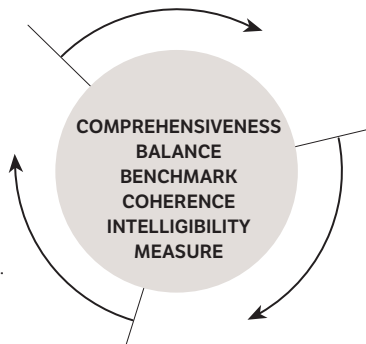
► APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

Draws up the compensation policy for executives and proposes it to the Board of Directors. Its proposals concern:

On the one hand, determination of the compensation for the elapsed year, in light of the policy that was subject to an *ex ante* vote by the shareholders

On the other hand, the compensation policy for the upcoming year, based in particular on:

- the Company's strategic priorities;
- the performance of executives in relation to the criteria adopted in the previous year;
- changes in sectoral practices;
- discussions with shareholders and proxy advisors.



► BOARD OF DIRECTORS

Examines the proposals from the Appointments, Compensation and Governance Committee and submits the compensation and policies to a vote by the shareholders, in particular:

Decides upon the compensation for the elapsed year in accordance with the policy that was subject to an *ex ante* vote by the Annual General Meeting

Sets the methods of the compensation policy for the upcoming year, in particular the criteria and objectives for the short and long-term variable compensation

► ANNUAL GENERAL MEETING OF SHAREHOLDERS

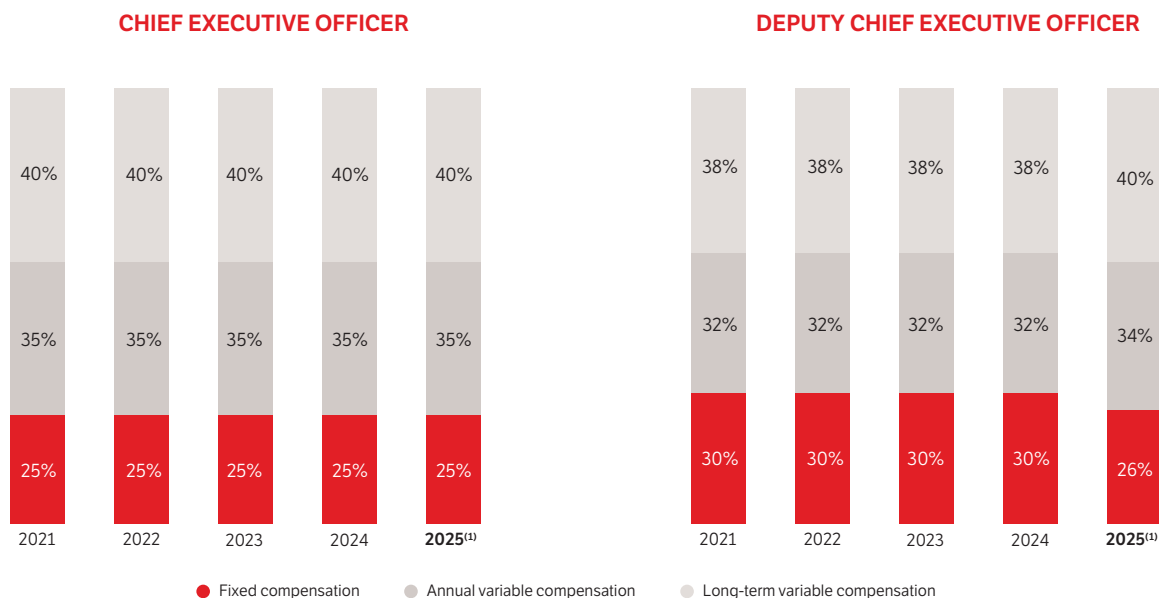
Approves or rejects the compensation and policies proposed by the Board of Directors:

Vote *ex post* on the compensation allocated to the executives for the elapsed year

Vote *ex ante* on the policy for compensation of executives for the upcoming year

► CHANGES IN THE TOTAL COMPENSATION STRUCTURE FOR EXECUTIVES

(on the basis of the compensation policy in respect of the indicated year)



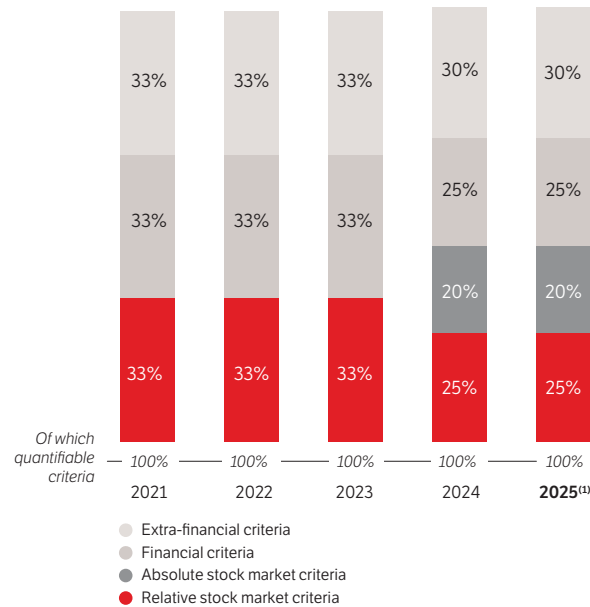
(1) Subject to approval of the 2025 compensation policy by the Ordinary General Meeting held on April 29, 2025.

Overall, the compensation policy for Senior Management is structured so as to provide greater compensation for the Company's performance, long-term in particular.

► CHANGE IN CRITERIA FOR THE LONG-TERM VARIABLE COMPENSATION OF EXECUTIVES

(on the basis of the compensation policy in respect of the indicated year)

CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER

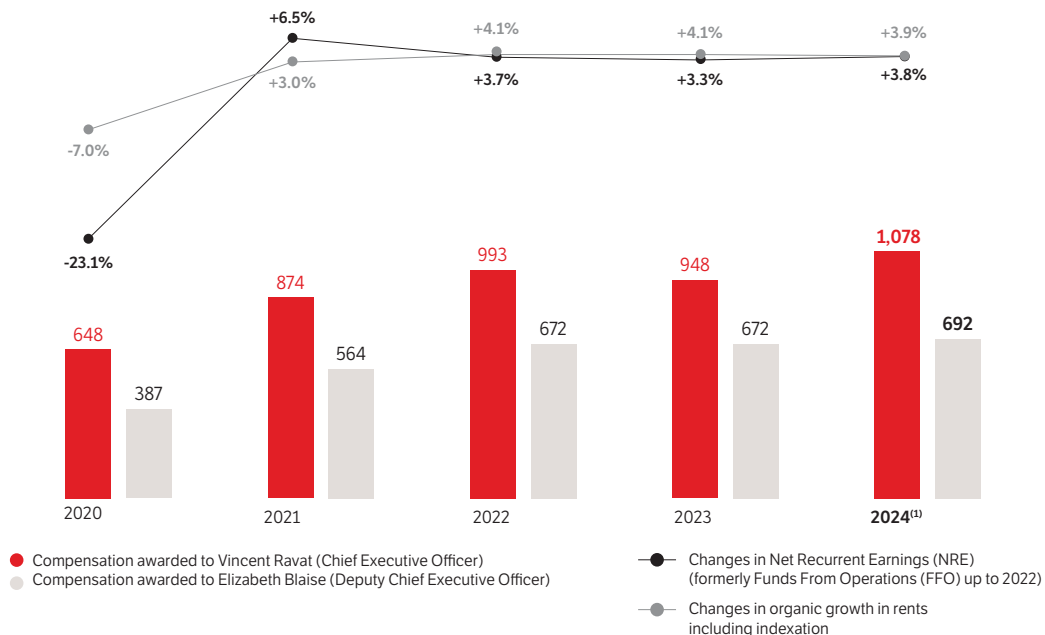


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(1) Subject to approval of the 2025 compensation policy by the Ordinary General Meeting held on April 29, 2025.

► CHANGE IN THE COMPANY'S PERFORMANCE AND COMPENSATION AWARDED TO EXECUTIVES

(in thousands of euros, for the indicated year)



(1) Subject to approval by the Ordinary General Meeting held on April 29, 2025.

► **CHANGES IN DIFFERENCES IN COMPENSATION BETWEEN EMPLOYEES AND EXECUTIVE AND NON-EXECUTIVE OFFICERS (EQUITY RATIOS)**

	2020	2021	2022	2023	2024
Employee compensation					
Average compensation	82,489	90,443	121,591	120,552	129,201
% change	- 3%	+ 9.6%	+ 34.4%	- 0.9%	+ 7.2%
Median compensation	68,558	80,487	110,367	107,129	110,817
% change	- 8%	+ 17.4%	+ 37.1%	- 2.9%	+ 3.4
Chairman of the Board of Directors					
Éric Le Gentil	352,366	361,974	369,705	374,597	377,942
% change	- 75%	+ 2.7%	+ 2.1%	+ 1.3%	+ 0.9%
Average ratios	4.3	4.0	3.0	3.1	2.9
% change	- 74%	- 6.3%	- 24%	+ 2.2%	- 5.9%
Median ratios	5.1	4.5	3.3	3.5	3.4
% change	- 72%	- 12.5%	- 25.5%	+ 4.4%	- 2.5%
Chief Executive Officer					
Vincent Ravat	1,041,674	830,977	1,249,304	1,451,471	1,534,027
% change	+ 11%	- 20.2%	+ 50%	+ 16.2%	+ 5.7%
Average ratios	12.6	9.2	10.3	12	11.9
% change	+ 14%	- 27%	+ 13%	+ 16.9%	- 1.4%
Median ratios	15.2	10.3	11.3	13.6	13.8
% change	+ 20%	- 32%	+ 9.6%	+ 19.7%	+ 2.2%
Deputy Chief Executive Officer					
Elizabeth Blaise	581,295	530,847	839,299	909,014	1,054,980
% change	+ 2%	- 8.7%	+ 58.1%	+ 8.3%	+ 16.1%
Average ratios	7.0	5.9	6.9	7.5	8.2
% change	+ 5%	- 16.7%	+ 17.6%	+ 9.2%	+ 8.3%
Median ratios	8.5	6.6	7.6	8.5	9.5
% change	+ 10%	- 22.2%	+ 15.3%	+ 11.6%	+ 12.2%

Explanation of the main changes

For 2024, the equity ratio relating to the compensation of the Chief Executive Officer is at a level similar to those of the years 2020 and 2023, the 2021 equity ratio being a low point due to both an increase during this fiscal year of the average and median compensation of Mercialis employees, while the variable compensation paid to the Chief Executive Officer was down significantly due to the impact of the Covid-19 crisis. Since June 2022, the Chief Executive Officer has also received compensation in respect of his directorship, which he did not previously receive.

The change in the 2024 ratio for the Deputy Chief Executive Officer is due to the strong performance achieved in 2024, but above all the bonus shares granted during the 2024 fiscal year due to the achievement of performance conditions.

The overall analysis of the equity ratios above shows that the compensation of Mercialis executives is reasonable compared to sector peers and SBF 120 companies. In addition to contributing to social cohesion within the Company, these levels of compensation correspond to the recommendations of the proxy advisors.

Calculation methodology

The equity ratios presented cover the entire workforce of all Mercialis group companies over the whole year, excluding trainees, as well as all of the regions in which it operates, i.e. mainland France and overseas territories. In addition, in accordance with the recommendations of the French Financial Markets Authority, the information is presented by position and by corporate officer holding the position. The accuracy of this information was verified by Mercialis' independent third party as part of the review of the Statement of Non-Financial Performance (SNFP) (see Chapter 2, Appendix 3, p. 117 et seq.).

The compensation equity ratios presented are calculated using the following methodology:

- year N average ratio = compensation paid in year N to executive/average compensation paid in year N to employees (excluding executives, trainees and interns), including payroll taxes and employer contributions;
- year N median ratio = compensation paid in year N to executive/median compensation paid in year N to employees (excluding executives, trainees and interns), including payroll taxes and employer contributions.

Compensation paid in year N consists of the following elements, in the numerator and the denominator:

- fixed salaries, including benefits in kind, paid during year N, including payroll taxes and employer contributions;
- variable salaries paid during year N, including payroll taxes and employer contributions ⁽¹⁾;
- exceptional compensation paid to employees during year N, including payroll taxes and employer contributions;
- bonus shares vested during year N ⁽²⁾;
- compensation in respect of terms of office, including payroll taxes and employer contributions;
- employee savings.

The methodology used resulted in the executive compensation used in the numerator of the equity ratio corresponds to the compensation paid for the year in question being submitted to the ex-post vote of shareholders at the Annual General Meeting, adjusted for employer contributions, as well as the social security regime for company managers, healthcare and pensions.

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	Éric Le Gentil		Vincent Ravat		Elizabeth Blaise	
SUMMARY FOR 2024	Compensation Equity ratio	Compensation Ex-post vote	Compensation Equity ratio	Compensation Ex-post vote	Compensation Equity ratio	Compensation Ex-post vote
Fixed compensation	225,000	225,000	430,000	430,000	318,000	318,000
Annual variable compensation	n/a	n/a	442,470	442,470	314,645	314,645
Multi-annual variable compensation	n/a	n/a	0	0	0	0
Other compensation	n/a	n/a	0	0	0	
Bonus shares acquired during the fiscal year	n/a	n/a	321,982 ⁽¹⁾		192,574 ⁽²⁾	
Compensation allocated in respect of the directorship	46,000	46,000	32,000	32,000	n/a	n/a
Benefits in kind	0	4,243 ⁽³⁾	6,209 ⁽⁴⁾	48,611 ⁽⁵⁾	0	40,029 ⁽⁶⁾
Employer's contributions on all compensation components	106,942	n/a	301,366	n/a	229,761	0
TOTAL	377,942	275,243	1,534,027	953,081	1,054,980	672,674

(1) Value of the 59,516 bonus shares vested to Vincent Ravat under Plan 36, valued on the basis of the consolidated financial statements (IFRS 2).

(2) Value of the 35,596 bonus shares vested to Elizabeth Blaise under Plan 36, valued on the basis of the consolidated financial statements (IFRS 2).

(3) Insurance and healthcare benefit plan.

(4) Company car.

(5) Company car, executive unemployment insurance and healthcare benefit plan.

(6) Executive unemployment insurance and healthcare benefit plan.

(1) The annual variable compensation paid during year N corresponds to the variable compensation payable in respect of year N-1.

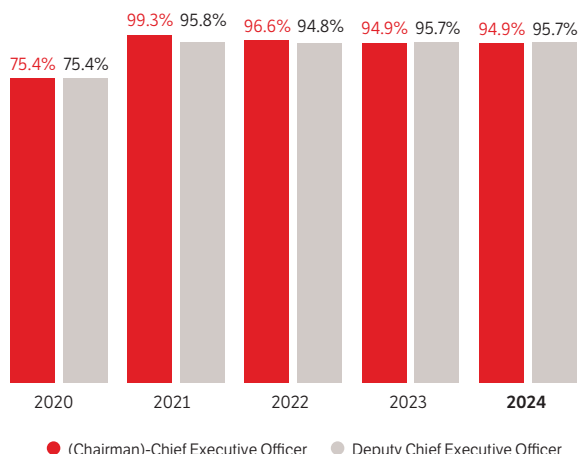
(2) The shares awarded definitively in year N correspond to the plans in previous years. Shares are valued on the basis of the Company's consolidated financial statements.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

► CHANGE IN THE LEVEL OF POSITIVE VOTING ON THE COMPENSATION POLICY FOR EXECUTIVES AT GENERAL MEETINGS

(Vote on the compensation policy for the current year at the Annual General Meeting held in the indicated year, it being specified that Mercialys holds its Annual General Meeting in April)



4.2.2.2 Compensation of the Chairman of the Board of Directors, non-executive corporate officer, in respect of fiscal year 2024

A. Reminder of the principles and criteria for determining, distributing and awarding the components of the Chairman of the Board of Directors' compensation in 2024

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2024 to the Chairman of the Board of Directors, were submitted for approval at the Ordinary General Meeting held on April 25, 2024 (13th resolution).

At this Meeting, the shareholders approved the compensation policy proposed for the Chairman of the Board of Directors, as set out below. The way in which this policy was followed is set out in point B below.

It should be noted that this compensation was set after consideration of the missions assigned to the Chairman of the Board of Directors, in addition to the general duties provided for by law. These missions are detailed in § 4.1.1.3, p. 237.

The compensation of the Chairman of the Board of Directors consists of fixed compensation in respect of his position as Chairman, plus specific compensation paid for his participation in the Strategy and Transformation Committee and the Appointments, Compensation and Governance Committee:

- annual fixed compensation: Euro 225,000;
- compensation in his capacity as director: according to the rules applicable within the Company, as set out in § 4.2.1.1, p. 255 et seq.

The Chairman of the Board of Directors does not receive variable compensation either in cash or shares, other than the variable component included in his compensation as a director.

He also benefits from the Company's insurance and healthcare benefit plan.

B. Details of the compensation awarded in respect of fiscal year 2024 or paid during the same fiscal year to Éric Le Gentil, Chairman of the Board of Directors

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys to Éric Le Gentil for fiscal years 2024 and 2023 are as follows, it being specified that he receives no compensation from the companies controlled by Mercialys and that Mercialys is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

► TABLE 1 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

(in euros)	2024 fiscal year	2023 fiscal year
Compensation awarded in respect of the fiscal year (see § 2, below)	275,243	272,969
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded (vesting subject to service and performance conditions)	-	-
Valuation of bonus shares granted	-	-

2. Compensation awarded or paid by Mercialys and the companies it controls

Éric Le Gentil was awarded or paid the following compensation and benefits of any kind by the Company in his capacity as Chairman of the Board of Directors and director during and in respect of fiscal years 2024 and 2023, calculated respectively:

► TABLE 2 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

(in euros)	2024 fiscal year		2023 fiscal year	
	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾
Fixed compensation ⁽¹⁾	225,000	225,000	225,000	225,000
Annual variable compensation ⁽¹⁾	-	-	-	-
Multi-annual variable compensation ⁽¹⁾	-	-	-	-
Exceptional compensation ⁽¹⁾	-	-	-	-
Compensation allocated in respect of the directorship ⁽¹⁾	46,000	44,000	44,000	40,000
Benefits in kind ⁽⁴⁾	4,243	4,243	3,969	3,969
TOTAL	275,243	276,243	272,969	268,969

(1) Gross compensation before social security contributions and tax.

(2) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(3) Compensation paid during the fiscal year, regardless of the allocation date.

(4) Healthcare benefit plan.

3. Annual variable compensation

Éric Le Gentil no longer receives annual variable compensation with effect from February 13, 2019.

4. Share subscription or purchase options and bonus shares awarded by the Company and/or the companies it controls

No share subscription or purchase options have been awarded to Éric Le Gentil by the Company and/or companies it controls since 2018.

In his capacity as Chairman of the Board of Directors, a non-executive corporate officer, Éric Le Gentil no longer benefits from bonus share plans.

5. Employment contract, special pension plan, severance pay and non-competition clause

► TABLE 11 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension plan		Allowances or benefits payable or likely to be payable, due to the termination of or a change in position		Compensation linked to a non-competition clause	
Yes	No ⁽¹⁾	Yes	No ⁽²⁾	Yes	No	Yes	No
	○		○		○		○

(1) In accordance with the provisions of the AFEP-MEDEF Code, Éric Le Gentil, as Chairman of the Board of Directors, does not hold an employment contract with Mercialys.

(2) Éric Le Gentil does not benefit from any supplementary pension plan. He is included in the mandatory group pension plan (ARRCO and AGIRC) and in the insurance and healthcare benefit plan covering all the Company's employees.

It should be noted that all the tables in the French Financial Markets Authority's (AMF) Position-Recommendation DOC-2021-02 not appearing on the previous pages do not apply to Éric Le Gentil's compensation for fiscal year 2024, namely:

- table 3, relating to the compensation awarded for the term of office as director and other compensation received by non-executive corporate officers;
- table 4, on the share subscription or purchase options awarded in the fiscal year to each executive corporate officer by the issuer and by any group company;
- table 5, on the share subscription or purchase options exercised in the fiscal year by each executive corporate officer;

- table 6, on the bonus shares allocated during the fiscal year to each corporate officer;
- table 7, on the bonus shares awarded during the fiscal year to each executive corporate officer;
- table 8, on the history of share subscription or purchase options granted;
- table 9, on the share subscription or purchase options awarded to the top ten employees who are not corporate officers and options exercised by them;
- table 10, on the history of bonus share plans.

4.2.2.3 Compensation policy for the Chairman of the Board of Directors, non-executive corporate officer, in respect of fiscal year 2025

Board of Directors' report on the compensation policy for the Chairman of the Board of Directors for fiscal year 2025

(14th resolution of the Ordinary General Meeting of April 29, 2025)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2025 to the Chairman of the Board of Directors, must be submitted for approval at the Ordinary General Meeting held on April 29, 2025.

In this regard, the Board of Directors, at its meeting on February 12, 2025, established, on the basis of recommendations from the Appointments, Compensation and Governance Committee, the determining principles and the structure of the Chairman of the Board of Directors' compensation. This compensation was set after consideration of the missions assigned to the Chairman of the Board of Directors in addition to the general duties provided for by law. These missions are detailed in § 4.1.1.3, p. 237.

The compensation of the Chairman of the Board of Directors consists of fixed compensation in respect of his position as Chairman, plus specific compensation paid for his participation in the Board of Directors and the Specialized Committees:

- compensation in his capacity as director and member of Specialized Committees: according to the rules applicable within the Company, as set out in § 4.2.1.1, p. 255 et seq.
- annual fixed compensation: Euro 255,000 compared to Euro 225,000 in N-1 annual fixed compensation, i.e. an increase of 13.3%;

Since the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, Éric Le Gentil receives, in respect of his duties as Chairman of the Board of Directors, in addition to his compensation as a director, fixed gross annual compensation of Euro 225,000, unchanged since then. This compensation was set after taking into account the missions entrusted to him, in addition to the general duties provided for by law.

In view of this lack of change over the past six years, in the context of the renewal of his directorship at the next Annual General Meeting, a comparative study was performed in November 2024 by specialized firm AON TalentSolutions on the compensation of corporate officers with comparable specific missions in other French listed companies or French subsidiaries of listed reference companies⁽¹⁾. This study shows that Eric Le Gentil's compensation is 3% below the median (Euro 231,800), 4% below the average (Euro 235,371) and 22% below the 3rd quartile (Euro 288,750) compensation of the panel.

Furthermore, taking into account his continuous availability, his overall involvement and his dedicated attention to the proper functioning of the Board of Directors and the positive evolution of dynamics between the directors and with Senior Management, it is proposed, in accordance with recommendation 25.3.1 of the AFEP-MEDEF Code, that the compensation of the Chairman of the Board of Directors is increased to Euro 255,000. If this change were approved, it would remain 11.7% below the 3rd quartile of compensation of the external panel.

This proposal is in line with the interests of stakeholders and takes into account the recent changes made to employees' compensation. Indeed, over the period between the beginning of 2022 (start of the current directorship of Éric Le Gentil) and the end of 2024, the average compensation of the Company's employees has increased by 11.2% on a like-for-like basis.

In addition, the compensation ratio of the Chairman of the Board of Directors compared to the compensation of the Company's employees (equity ratio) decreased between 2020 (first full year following the separation of the functions of Chairman and Chief Executive Officer) and 2024, from an average ratio of 4.3x to 2.9x and from a median ratio of 5.1x to 3.4x. If the proposed increase in compensation for the Chairman of the Board of Directors were to be approved, the equity ratio would stand at an average of 3.2x and median of 3.7x (in both cases still below 2020 levels), excluding the impact of the mandatory annual negotiations scheduled for April 2025 on the average and median compensation of the Group's employees.

Moreover, since the compensation of the Chairman of the Board of Directors was set in 2019 and it having remained unchanged since then, over the associated six-year period to the end of 2024, inflation in France rose to +16.4% cumulative.

All of these elements demonstrate that the change proposed is reasonable and that it is in line with best market practices.

The Chairman of the Board of Directors does not receive variable compensation either in cash or shares, other than the variable component included in his compensation as a director and member of Specialized Committees.

He also benefits from the Company's insurance and healthcare benefit plan.

4.2.2.4 Compensation of the Chief Executive Officer in respect of fiscal year 2024

A. Principles and criteria for determining, distributing and awarding the components of the Chief Executive Officer's compensation in 2024

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2024 to the Chief Executive Officer in respect of his corporate term of office, were submitted for approval by the Ordinary General Meeting held on April 25, 2024 (14th resolution).

The shareholders at the Ordinary General Meeting of April 25, 2024 approved the principles and criteria for determining and awarding the compensation of the Chief Executive Officer.

These principles adhere to the recommendations of the AFEP-MEDEF Code, and are detailed in § 4.2.2.1, p. 259 et seq.

A reminder is provided below of the 2024 compensation policy for the Chief Executive Officer. The way in which this policy was followed is set out in point B below.

Fixed compensation

For 2024, the annual fixed compensation of the Chief Executive Officer was Euro 430,000.

Annual variable compensation

It was decided to maintain for fiscal year 2024 the variable compensation mechanism put in place in 2023.

(1) Panel selected by AON TalentSolutions of French companies and French subsidiaries of international companies including Altea (France, Euronext), Costar (US, NASDAQ), Greystar (US), JLL France, Nexity (France, Euronext), Prologis (US, NYSE), Sagard (US), Vinci Immobilier (France, Euronext)

Vincent Ravat's variable compensation for 2024 was structured around a set of balanced criteria, covering aspects of financial performance, operational performance, non-financial performance relating to the CSR strategy including the Company's climate and more generally social and environmental issues.

The target annual variable compensation of the Chief Executive Officer remains at 70% of his annual fixed compensation if the objectives set are achieved. It could reach 140% of his annual fixed compensation if these objectives are exceeded.

The selected criteria, and their weighting in determining the variable compensation, are as follows:

		% fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (100% of the total variable compensation)	Growth in Net Recurrent Earnings (20% of the total variable)	0%	14%	28%
	EBITDA margin - like-for-like basis (20% of the total variable)	0%	14%	28%
	Total financial vacancy rate (10% of the total variable)	0%	7%	14%
	Investment volume and portfolio consolidation by arbitrage - excluding maintenance (10% of the total variable)	0%	7%	14%
	Operational launch of significant new pipeline projects (10% of the total variable)	0%	7%	14%
	Human Resources: maintain the highest standard in terms of gender equity (SBF 120 ranking of feminization with comparable calculation methodology) (10% of the total variable)	0%	7%	14%
	Corporate Social Responsibility: achievement rate on a linear basis at the end of 2024 of the major objectives of the Company's 4 Fair Impacts strategy on the 2030 global strategic roadmap (20% of the total variable)	0%	14%	28%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	70.0%	140.0%

For each quantifiable criterion, a minimum threshold of achievement has been set, along with a target level corresponding to the objectives of Mercialis for a performance that meets objectives, and a level of outperformance of the targets. Variable compensation is calculated in a linear fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable component of the compensation due for fiscal year 2024, after determining the amount based on the achievement of the objectives defined above, is conditional upon approval by the Company's Ordinary General Meeting to be held on April 29, 2025.

Long-term compensation

In order to associate the Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code, on the principle of bonus share plans.

Bonus shares may only be granted to executive corporate officers if the Company grants one of the following benefits to its employees and to at least 90% of employees in its subsidiaries:

- share purchase and/or subscription options;
- bonus share plans;
- the introduction of an incentive agreement or statutory profit-sharing agreement.

This award would represent a target of 125% of the annual fixed compensation (i.e. Euro 537,500) if the defined objectives are achieved, and up to 187.5% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 160% of the annual fixed compensation (i.e. Euro 688,000), in order to comply with best market practices.

Service and holding conditions

In accordance with the provisions of Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, the bonus shares granted would only vest to the Chief Executive Officer at the end of a 3-year vesting period, subject to the condition of ongoing service (as a corporate officer). At the end of this 3-year vesting period, the Chief Executive Officer would be required to keep 100% of his bonus shares for a period of at least 2 years after their vesting, and thereafter to hold 50% of them in registered form until the termination of his duties as corporate officer. The obligation to retain 50% of the vested shares for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the previous fiscal year. Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the holding period.

In the event of the Chief Executive Officer's departure, including in the event of death or incapacity (except in the event of resignation or dismissal for serious or gross misconduct), any bonus share entitlement that he may have been awarded prior to the effective date of his departure would be maintained on a prorata temporis basis in relation to his service as a Mercialis executive corporate officer during the vesting period, while remaining subject to the performance conditions of the plan in question. The performance conditions would then be calculated on the basis of the plan's performance criteria, assessed at the end of the year during which the Chief Executive Officer ceases to perform his duties as a corporate officer (and without taking into account the impact of the year, or years, after the termination of his duties). In such a case, the Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

Performance conditions

All shares will be subject to the following performance conditions, measured at the end of the 3-year period based on 4 criteria:

- initially, to measure Mercialys' share performance against that of its market sector peers and bring executives into line with their shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms with reference to a panel of real estate sector companies. These companies are similar to Mercialys in terms of geographical location, size or activity. This panel is as follows:

Peers constituting the index	ISIN	Country	Business segment	Geographical exposure
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain
Citycon OYJ	FI4000369947	Finland	Diversified shopping centers	Northern Europe
Deutsche EuroShop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czechia, Austria, Hungary
Eurocommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe
Lar España Real Estate	ES0105015012	Spain	Neighborhood shopping centers	Spain
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom
Retail Estates	BE03720340	Belgium	Diversified shopping centers	Benelux
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States
Vastned Retail N.V.	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium

- it is proposed to add a criterion of average absolute stock market performance over 3 years between January 1, 2024 and December 31, 2026. This will make it possible to assess the profitability generated for Mercialys shareholders in terms of the stock market performance of the share and the dividends received;
- in addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of Growth in Net Recurrent Earnings, measured as an annual average over 3 years, between January 1, 2024 and December 31, 2026, in order to align executives' interests with those of the shareholders in terms of the Company's growth;
- lastly, with regard to the CSR policy, an objective to reduce the carbon intensity of the Mercialys portfolio was set to ensure the Company's positive contribution to the fight against climate change. In accordance with the recommendations of the 2023 barometer on compensation by the IFA, Chapter Zero France and Ethics & Boards on the climate in CEO compensation policies, this objective is aligned with the Company's SBTi-certified 2030 GHG emissions reduction objective.

The relative weighting of each of these 4 criteria and the associated performance conditions would be as follows:

- 20% of the total target allocation based on the absolute stock market criterion: absolute performance of Mercialys shares, including dividends (Total Shareholder Return), measured between January 1, 2024 and December 31, 2026.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below.

Mercialys' average annual TSR (Total Shareholder Return) over 3 years	Coefficient multiplier
10.00%	0%
14.00%	100%
18.00%	150%

- 25% of the total target allocation based on the relative stock market criterion: relative performance of Mercialys shares, including dividends (TSR) compared to the performance of a specific panel of comparable companies at January 1, 2024, measured between January 1, 2024 and December 31, 2026.

At the end of the 3-year period, the number of shares vested in respect of this performance criterion will be determined in accordance with the table below:

Ranking of Mercialys's 3-year average annual TSR compared with the companies comprising the panel	Coefficient multiplier
1 st place	150%
2 nd place	141.6%
3 rd place	133.3%
4 th place	125%
5 th place	116.7%
6 th place	108.3%
7 th place	100%
8 th to 14 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 13 companies comprising the panel as at January 1, 2024, plus Mercialis.

Should the panel of comparable companies no longer comprise these 13 companies at December 31, 2026, in particular due to takeovers, mergers, bankruptcies or delistings occurring during the securities' vesting period, the assessment of Mercialis' ranking would be adjusted accordingly.

In particular, should the panel of comparable companies, including Mercialis, comprise an uneven number of companies, the 100% performance would correspond to the ranking immediately above the arithmetical average. If, for example, only 10 companies, i.e. a total of 11 companies including Mercialis, were still listed on the panel on December 31, 2026, the coefficient of 100% would correspond to 5th place. All the multipliers would therefore be readjusted in a linear fashion between the average ranking determined in this way (coefficient of 100%) and first place (coefficient of 150%).

- 25% of the total target allocation based on the financial criterion: growth in Net Recurrent Earnings measured as the 3-year annual average between January 1, 2024 and December 31, 2026:

Average annual 3-year growth in Net Recurrent Earnings	Coefficient multiplier
2.00%	0%
3.00%	100%
4.00%	150%

The multiplier moves in a linear fashion between the limits set above.

30% of the total allocation based on a CSR criterion: reduction over 3 years of the carbon intensity per unit area on scopes 1 & 2 by outperforming (about 2 years ahead) Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method): emission target of 14.3 kgCO₂eq/sq.m maximum at the end of 2026, corresponding to a reduction of at least 40% in emissions compared to 2017 (reference year of the certified roadmap).

At the end of the 3-year period, the number of shares vested in respect of this performance criterion will be determined in accordance with the table below:

Reduction of carbon intensity on scopes 1 & 2 on the portfolio's current scope (three-year change versus reference value of the 2017 roadmap)	Coefficient multiplier
- 35.2%, i.e. 15.1 kgCO ₂ eq/sq.m.	0%
- 38.6%, i.e. 14.3 kgCO ₂ eq/sq.m	100%
- 42.1%, i.e. 13.5 kgCO ₂ eq/sq.m	150%

The multiplier moves in a linear fashion between the limits set above.

In the event of an exceptional event such as the impact of the COVID-19 epidemic, a change of control or significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will have discretionary power in particular to reduce, eliminate or postpone, for the stock market criteria of absolute and relative TSR, the application of the financial and non-financial criteria (a maximum of 33.33% of long-term compensation criteria).

Other compensation components

The Chief Executive Officer does not benefit from any additional pension plan. He participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the insurance and healthcare benefit plan in force within the Company for all employees. He also benefits from senior executive unemployment insurance (GSC). In the event of the departure of the Chief Executive Officer, the benefit of the Company's health plan will be extended to the period covered by the senior executive unemployment insurance.

He does not receive any other benefit of any kind, except a company car.

No severance allowance shall be paid to the Chief Executive Officer resulting from the termination of, or change in, his position.

The Chief Executive Officer may receive compensation in the event of the termination of his duties in exchange for a non-competition and non-solicitation obligation, which would be paid on a monthly basis equivalent to one-twelfth of 50% of the total annual compensation (fixed and variable) of Vincent Ravat, this total annual compensation being calculated as the average of the compensation package paid for the two fiscal years preceding his departure. It would apply for a period not exceeding the time of his presence in the Company with a maximum duration of 2 years, it being specified that the Company may reduce the period of application of it or waive it.

This level is below recommendation 25.6 of the AFEP-MEDEF Code, which refers to a cap of 2 years' overall compensation including the annual fixed and variable components.

The payment of the non-competition compensation is excluded when the Chief Executive Officer exercises his right to retire. In any event, no non-competition indemnity may be paid beyond the age of 65.

B. Details of the compensation, in respect of fiscal year 2024, of Vincent Ravat, Chief Executive Officer

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys and the companies it controls to Vincent Ravat for fiscal years 2024 and 2023 are as follows. It should be remembered that Mercialys is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

► **TABLE 1 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02**

(in euros)	2024 fiscal year	2023 fiscal year
Compensation awarded in respect of the fiscal year (see § 2 below)	1,077,781	948,308
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year		
Cumulative valuation of current bonus share plans (vesting subject to service and performance conditions) ⁽¹⁾	1,043,641	884,065
Valuation of bonus shares granted	321,982 ⁽³⁾	162,931 ⁽²⁾
TOTAL	2,443,404	1,995,304

(1) Potential value in the consolidated financial statements of the shares awarded and not yet vested, for the fiscal year and subject to ongoing service as a corporate officer as well as 3-year performance conditions (see section 4 below).

(2) Value of the 49,674 bonus shares vested to Vincent Ravat under Plan 33., valued on the basis of the consolidated financial statements.

(3) Value of the 59,516 bonus shares vested to Vincent Ravat under Plan 36., valued on the basis of the consolidated financial statements.

2. Compensation awarded or paid by Mercialys and the companies it controls

The compensation and benefits of any kind paid or awarded by the Company to Vincent Ravat, in his capacity as Chief Executive Officer, during and in respect of fiscal years 2024 and 2023, are as follows:

► **TABLE 2 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02**

(in euros)	2024 fiscal year		2023 fiscal year	
	Amounts awarded ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts awarded ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation ⁽¹⁾	430,000	430,000	430,000	430,000
Annual variable compensation ⁽¹⁾	567,170 ⁽²⁾	442,470	442,470	510,195
Multi-annual variable compensation ⁽³⁾	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated in respect of the directorship	32,000	30,000	30,000	13,575
Benefits in kind ⁽⁴⁾	48,611	48,611	45,838	45,838
TOTAL	1,077,781	951,081	948,308	999,608

(1) Gross compensation before social security contributions and tax.

(2) The methods for determining variable compensation are set out in the 2024 compensation policy, as approved at the Ordinary General Meeting of April 25, 2024, presented in § 4.2.2.4, A, p. 266 et seq., and details are provided in Table 3 below, it being specified that this amount will be paid only subject to the approval of the 11th resolution presented to the Ordinary General Meeting of April 29, 2025.

(3) Vincent Ravat does not receive multi-annual variable compensation in cash.

(4) Company car, senior executive unemployment insurance, and insurance and healthcare benefit plan covering all the Company's employees.

(5) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(6) Compensation paid during the fiscal year, regardless of the allocation date.

3. Annual variable compensation

The variable compensation of Vincent Ravat for fiscal year 2024 was determined by the Board of Directors at its meeting of February 12, 2025, on the proposal of the Appointments, Compensation and Governance Committee, applying the criteria in the table below:

		% fixed compensation				Amount (in euros)
	Assessment	Minimum	Target	Maximum	Rate of achievement	
NRE growth (20% of the total variable)	NRE increased by 3.8% compared to 2023, well above the annual projection. This increase is the result of good rental dynamics, control of expenses and financing costs.	0.0%	14.0%	28.0%	25.2%	108,360
		2.0%	3.0%	4.0%	3.8%	
EBITDA margin - like-for-like basis (20% of the total variable)	Normalization of the EBITDA rate still at a high level compared to sector peers	0.0%	14.0%	28.0%	28.0%	120,400
		80.0%	81.0%	82.0%	82.0%	
Total financial vacancy rate (10% of the total variable)	Significant improvement (-30bps) in the total financial vacancy rate vs. end-2023 (4.4%) in a challenging context in terms of consumption	0.0%	7.0%	14.0%	14.0%	60,200
		4.7%	4.4%	4.1%	4.1%	
Investment volume and portfolio consolidation by arbitrage (total amount of disposals in millions of euros) (10% of the total variable)	Continued refocusing of the portfolio through the disposal of Euro 80.3 million of assets (Group share) to continue to demonstrate Mercialys' ability to secure asset liquidity	0.0%	7.0%	14.0%	14.0%	60,200
		€40M	€50M	€60M	€80.3M	
Operational launch of significant new pipeline projects (10% of the total variable)	Significant progress in terms of projects for Mercialys, which won the Ferney Voltaire call for expressions of interest on 40,000 sq.m., secured a land area of 16,000 sq.m for a development project in Angers, obtained the final building permit for its mixed-use project in Saint-Denis for a total amount of projects to be committed of Euro 36 million Group share by 2029	0.0%	7.0%	14.0%	11.2%	48,160
		€20M	€30M	€40M	€36M	
Maintaining the highest standard in terms of gender equity (SBF 120 ranking of feminization) (10% of the total variable)	Mercialys' score on the ranking of feminization was 93.6% for the 2024 fiscal year, higher than 2023, demonstrating its continued exemplary practices	0.0%	7.0%	14.0%	11.5%	49,450
		89.5%	92.0%	94.5%	93.6%	
Achievement on a linear basis of the major objectives of the Company's 4 Fair Impacts strategy on the 2030 global strategic roadmap (20% of the total variable)	Mercialys remains ahead of the major commitments of its 4 Fair Impacts CSR strategy. Its results in terms of reducing its CO ₂ emissions are part of a new, even more ambitious roadmap which has been submitted for SBTi certification. CSR excellence once again underlined by sustainability rankings at the highest level (winner of the ESG Transparency Award for ESG Information and a Sustainability Region & Industry ESG Top-Rated company), but also in terms of female representation within the SBF 120 (2nd) or in terms of climate, with a GRESB score up over one year, enabling it to maintain its 5 star Green Star status, the highest category of the benchmark	0.0%	14.0%	28.0%	28.0%	120,400
		40%	50%	60%	61.5%	
TOTAL VARIABLE COMPENSATION (AS A % OF FIXED COMPENSATION AND AMOUNT IN EUROS)		0.0%	70.0%	140.0%	131.9%	567,170

04

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

By combining the convictions that have historically been part of Mercialis' DNA and the implementation of structural strategic changes, the Chief Executive Officer has prepared the Company for its ramp-up. In the context of pressure on the purchasing power of consumers, the firm's positioning on "accessible retail" for all is particularly appropriate. Supported by an Executive Committee strengthened by the arrival of many talented individuals, the Chief Executive Officer led Mercialis to achieve the vast majority of the qualitative and quantitative objectives set in 2024.

From a financial standpoint, changes in cash flow are still part of a sustainable long-term growth trend. In addition, in the context of high interest rates, the relevance of the refinancing carried out in September was praised by analysts.

Anticipating and proactively managing disruptions associated with the closures of and changes in food retailers at the real estate company's sites have enabled Mercialis to post operational data for 2024 that points to an increase in the attractiveness of its assets. The concomitant acceleration of the rental activity and the commitment of the Company's teams on the ground made it possible to further strengthen their local presence and stabilize occupancy at 95.6% over one year.

Over the past fiscal year, the Company also revived its growth momentum by making significant progress on its project pipeline

while maintaining a cautious approach in terms of financial commitments given the macroeconomic environment.

Lastly, led by its Chief Executive Officer, Mercialis has continued to stand out in all aspects of corporate and social responsibility with practices that are still improving even though they are already among the best on the market, whether from an environmental, social or governance point of view. Its increasingly specialized management, made possible thanks to the steering tools put in place, continued to result in reduced energy consumption at the Company's portfolio sites, helping the Company to strengthen the objectives of its so-called "zero-carbon" roadmap. The Company's ESG approach continued to be recognized by both national and international awards.

This variable compensation will be paid subject to the approval of the 11th resolution proposed to the Company's Ordinary General Meeting on April 29, 2025 (see Chapter 8, p. 360).

4. Share subscription or purchase options and bonus shares awarded by the Company and/or the companies it controls

In 2024, Vincent Ravat, as Chief Executive Officer, benefited from a performance share plan subject to service conditions and objectives set over a 3-year period (Plan 45).

► TABLE 6 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Performance shares awarded to Vincent Ravat during fiscal year 2024

No. and date of plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method adopted for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Plan 45, 04/25/2024	50,631 ⁽¹⁾	€411,124	04/25/2027	04/26/2029 ⁽³⁾	Yes ⁽²⁾

(1) If the performance criteria are exceeded, the maximum number of shares that may be granted to Vincent Ravat will be 64,807 shares.

(2) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of 4 performance criteria: the relative performance of Mercialis shares including dividends (relative TSR) compared to the performance of a specific pre-determined panel of comparable companies, measured between January 1, 2021 and December 31, 2023, for 33.33% of the initial allocation; the Company's FFO growth measured as an annual average (CAGR) over 3 years between January 1, 2021 and December 31, 2023, for 25% of the initial allocation; and the portfolio's BREEAM In-Use certification rate as a percentage of its value for the remaining 30% of the initial allocation.

(3) In accordance with the provisions of Articles L. 225-197-I and L. 22-10-59 of the French Commercial Code, the bonus shares granted would only vest at the end of a 3-year vesting period, subject to the condition of ongoing service (as a corporate officer). At the end of this 3-year vesting period, the Chief Executive Officer would be required to keep 100% of his bonus shares for a period of at least 2 years after their vesting, and thereafter to hold 50% of them in registered form until the termination of his duties as corporate officer. The obligation to retain 50% of the vested shares for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the previous fiscal year. Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the holding period.

In addition, in 2024, performance shares granted in 2021 were vested to Vincent Ravat (Plan 36). Taking into account the performance criteria, Plan 36, awarded in 2021, resulted in the vesting of 59,516 shares in 2024.

► TABLE 7 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Performance shares vested to Vincent Ravat in 2024

No. and date of plan	Number of shares vested during the fiscal year	Vesting date	Vesting conditions
Plan 36, 04/22/2021	59,516 ⁽¹⁾	04/22/2024 ⁽³⁾	Yes ⁽²⁾

(1) The number of shares vested to Vincent Ravat corresponds to a valuation in the consolidated financial statements of Euro 321,982, i.e. 0.06% of the Company's share capital based on the number of Company shares at December 31, 2024.

(2) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of 3 performance criteria: the achievement rate of the objectives at December 31, 2023 reaching 139.99% of the target: 120% achievement rate (Mercialis ranked 4th in the panel of 13 companies making up the index) on the criterion of the relative performance of Mercialis shares including dividends (relative TSR measured between January 1, 2021 and December 31, 2023), for 33.33% of the initial allocation; 150% achievement rate (96.4%) on the Breeam In-Use certification criterion for the portfolio, for 33% of the initial allocation; and a 150% achievement rate on the criterion for the average annual growth in FFO measured over the period from January 1, 2021 to December 31, 2023 (+4.5%), for the remaining 33% of the initial allocation. It should be noted that, in view of the provisions relating to the cap on the portion of long-term compensation as a proportion of the fixed compensation of the Chief Executive Officer, the number of shares vested is limited to the maximum of 59,516 set for the Chief Executive Officer.

(3) Of the total number of shares that vest, the Board of Directors has specified that beneficiaries must hold 50% of the bonus shares in registered form until the end of their corporate office within Mercialis.

Below is a historical summary of the performance share plans from which Vincent Ravat has benefited as a corporate officer:

► **TABLE 10 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02**

	Plan 33	Plan 36	Plan 39	Plan 42	Plan 45
Date of the Annual General Meeting	04/25/2019	04/22/2021	04/22/2021	04/27/2023	04/27/2023
Date of Board meeting	04/23/2019	04/22/2021	04/28/2022	04/27/2023	04/25/2024
Target number of bonus shares awarded to corporate officers (subject to service and performance conditions)	107,020	73,879	93,548	93,395 ⁽²⁾	80,585 ⁽⁴⁾
O/w target number of shares awarded to Vincent Ravat	67,355	46,497 ⁽¹⁾	58,775	58,679 ⁽³⁾	50,631 ⁽⁵⁾
Vesting date of shares	04/23/2023	04/22/2024	04/28/2025	04/27/2026	04/25/2027
Holding period end date	04/23/2025	04/22/2026	04/28/2027	04/27/2028	04/25/2029
Total number of shares vested to corporate officers at 12/31/2024	78,927	95,112	120,437	n/a ⁽⁶⁾	n/a ⁽⁶⁾
O/w number of shares vested to Vincent Ravat	49,674	59,516	75,232 ⁽¹⁾	n/a ⁽⁶⁾	n/a ⁽⁶⁾
Number of shares canceled or lapsed at 12/31/2024	28,093	0	0	n/a ⁽⁶⁾	n/a ⁽⁶⁾
Number of outstanding bonus shares for plans not yet matured at 12/31/2024	0	0	0	93,395	80,585

(1) It should be noted that, in view of the provisions relating to the cap on the portion of long-term compensation in proportion to the fixed compensation of the Chief Executive Officer, the number of shares that will vest is limited to the maximum cap set for the Chief Executive Officer at 75,232 performance shares that will vest to him in 2025, given that the rate of achievement of the objectives at December 31, 2024 was set at a level higher than the cap, i.e. an achievement rate of 135.99% of the performance conditions, i.e. 130% achievement rate (Mercialis ranked 3rd in the panel of 13 companies making up the previously detailed index) on the criterion of the relative performance of Mercialis shares, including dividends (relative TSR measured between January 1, 2022 and December 31, 2024), for 33% of the initial allocation; 129.5% achievement rate for the FFO growth criterion (4) of the Company measured as an annual average (CAGR) over 3 years between January 1, 2022 and December 31, 2024, for 33.3% of the initial allocation; and 150% for the three-year reduction of carbon intensity per unit area on scopes 1 and 2 criterion, outperforming Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method; result of 13.7 kgCO₂eq/sq.m exceeding the target of 17.4 kgCO₂eq/sq.m set for the end of 2024 and corresponding to the target commitment by the end of 2024 of a 25% reduction in emissions compared to 2017 (reference year of the certified roadmap), for the remaining 33.33% of the initial allocation.

(2) In the event of outperformance, the maximum number of shares that may be granted to corporate officers will be 120,240, including 75,109 shares for Vincent Ravat.

(3) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of 3 performance criteria: the relative performance of Mercialis shares including dividends (relative TSR) compared to the performance of a specific pre-determined panel of comparable companies, measured between January 1, 2023 and December 31, 2025, for 33.33% of the initial allocation; the Company's FFO growth measured as an annual average (CAGR) over 3 years between January 1, 2023 and December 31, 2025, for 33.33% over the initial allocation; and the reduction over 3 years of the carbon intensity per unit area on scopes 1 & 2 outperforming Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method): minimum value at end-2025: 16.3 kgCO₂eq/sq.m, corresponding to the target commitment to reduce emissions by 30% by the end of 2025, compared to 2017 (reference year of the certified roadmap), for the remaining 33.33% of the initial allocation.

(4) In the event of outperformance, the maximum number of shares that may be granted to corporate officers will be 103,748 performance shares, including 64,807 shares for Vincent Ravat.

(5) Bonus shares shall only vest if the beneficiary (in their capacity as corporate officer) continues to service the Company on the vesting date of the shares, and subject to the achievement of performance criteria: the absolute performance of Mercialis shares including dividends (absolute TSR), measured between January 1, 2024 and December 31, 2026, for 20% of the initial allocation; the relative performance of Mercialis shares including dividends (relative TSR), compared to the performance of a pre-determined panel of comparable companies, measured between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; the Company's NRE growth measured as an annual average (CAGR) over 3 years between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; and the reduction over 3 years of the carbon intensity per unit area on scopes 1 and 2, outperforming Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method); minimum value at the end of 2026: 14.3 kgCO₂eq/sq.m, corresponding to the target commitment by the end of 2026 of a 30% reduction in emissions compared to 2017 (reference year of the certified roadmap), for the remaining 30% of the initial allocation.

(6) Since the three-year plan has not yet matured, it is not possible to calculate the number of shares that will vest, as at December 31, 2024.

5. Employment contract, special pension plan, severance pay and non-competition clause

► TABLE 11 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension plan		Allowances or benefits payable or likely to be payable, due to the termination of or a change in position		Compensation linked to a non-competition clause	
Yes	No	Yes	No ⁽¹⁾	Yes	No	Yes ⁽²⁾	No
	○		○		○	○	

(1) Vincent Ravat does not benefit from any supplementary pension plan. He is included in the mandatory group pension plan (ARRCO and AGIRC) and the insurance and healthcare benefit plan covering all the Company's employees.

(2) Vincent Ravat may benefit from a payment linked to a non-competition and non-solicitation clause that would apply for a period not to exceed the time of his service to the Company, up to a maximum of 2 years; it is specified that the Company may reduce or waive the application of such clause. In exchange, he would be paid a monthly sum equivalent to one-twelfth of 50% of his annual total compensation (fixed and variable). This compensation will be paid in installments during his term of office.

As mentioned for Éric Le Gentil on p. 266, all the tables in the French Financial Markets Authority's (AMF) Position-Recommendation DOC-2021-02 that do not appear in the previous pages do not apply to Vincent Ravat's compensation for the 2024 fiscal year (Tables 3, 4, 5, 8, 9).

Pursuant to the provisions of Article L. 225-100, III, and L. 22-10-34 of the French Commercial Code, the Ordinary General Meeting of April 29, 2025 is called to approve the fixed, variable and exceptional components of the compensation package and benefits of any kind paid or awarded in respect of the previous fiscal year to the Chief Executive Officer for his corporate office in fiscal year 2024. Details and comments regarding this information can be found in Chapter 8, Appendix 2, p. 380 et seq.

4.2.2.5 Compensation policy for the Chief Executive Officer in respect of fiscal year 2025

Board of Directors' report on the compensation policy for the Chief Executive Officer for fiscal year 2025

(15th resolution of the Ordinary General Meeting of April 29, 2025)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind that may be awarded in 2025 to the Chief Executive Officer in respect of his corporate office must be submitted for approval by the Ordinary General Meeting on April 29, 2025.

In this regard, the Board of Directors, at its meeting on February 12, 2025, approved, on the basis of recommendations from the Appointments, Compensation and Governance Committee, the determining principles and the structure of the Chief Executive Officer's compensation for 2025.

A. Principles

The Board of Directors refers to the principles of the AFEP-MEDEF Code for determining the compensation of executive corporate officers: completeness, balance among the compensation components, benchmark, consistency, intelligibility of the rules and their measurement. Details of the main principles governing its approach are presented in § 4.2.2.1 p. 259 et seq.

It should be noted that the Board of Directors always ensures that executive compensation is competitive, is in line with the corporate strategy and context and, in particular, aims to drive the Company's medium- and long-term performance and competitiveness by incorporating one or more Corporate Social Responsibility criteria. To this end, it ensures that:

1. compensation attracts, retains and motivates high-performing executives. Compensation must be competitive and reflect each individual's scope of responsibility.

The Appointments, Compensation and Governance Committee regularly employs an independent company to conduct a market survey among a panel of comparable stakeholders in terms of type and portfolio size. This keeps the compensation system consistent and maintains a good balance between fixed and variable components;

2. compensation is based on corporate strategy and performance.

The Appointments, Compensation and Governance Committee ensures that the Company's interests are in line with those of its shareholders and sets its executives' objectives. These objectives are subject to measurable and quantifiable performance conditions;

3. compensation incorporates Corporate Social Responsibility criteria.

Being aware of the major environmental, as well as social, issues, Mercialis sets ambitious and measurable short- and long-term objectives for its executives;

4. compensation is consistent and in line with employees' compensation.

The Appointments, Compensation and Governance Committee ensures consistency of compensation across the Company. For this reason, some corporate officers' objectives are incorporated into the variable compensation of some employees. These principles apply to all compensation components, including long-term compensation.

Considering that the objectives set are measurable and tangible, there is no provision for any deferral period for the payment of variable compensation, nor for the Company to request its return.

The concept of compensation for exceptional circumstances is not part of executive compensation policy.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors deliberates without the interested party being present.

B. Components of the Chief Executive Officer's compensation

Fixed compensation

The annual fixed compensation of Vincent Ravat as Chief Executive Officer was Euro 430,000 for the 2024 fiscal year. It has not changed since 2022.

In accordance with best market practices, the share of the Chief Executive Officer's fixed compensation does not exceed 25% of his maximum total compensation. The compensation structure aims to reward the executive mainly over the long term, without encouraging excessive risk-taking.

The AFEP-MEDEF Code provides in its recommendation 26.3.1 that *"Fixed compensation should in principle only be reviewed at relatively long intervals."*

Given the absence of an increase in the Chief Executive Officer's compensation over the past three years and the recent renewal of his appointment, in accordance with the AMF's recommendation on corporate governance and the compensation of listed company executives⁽¹⁾, AON was entrusted in November 2024 with carrying out a comparative study of the level of compensation of executives within a panel⁽²⁾ of 20 companies comparable to Mercialis. This study shows that the Chief Executive Officer's fixed annual compensation is 17.6% lower than the average and 14.0% lower than the median of the fixed compensation reported within the sample of 19 comparable companies. This difference is reflected in the comparison of the annual fixed + target variable compensation of Vincent Ravat, which is 17% below the median and 20.3% below the average of the same panel.

It should be noted that the Proxinvest ranking of the executive compensation of SBF 120 companies for the 2023 fiscal year, published in 2024, shows that Vincent Ravat's compensation package is still in the bottom quintile of the SBF 120 ranking of compensation (102nd place).

The data presented in the Proxinvest report details an average fixed compensation allocated to executive corporate officers of Euro 970,685 / year for SBF 120 companies and Euro 778,134 / year for SBF 80 companies, and an average annual variable compensation of Euro 1,122,785 / year (excluding long-term compensation in performance shares) for SBF 120 companies and Euro 729,950 / year for SBF 80 companies, which shows that the level of annual fixed and variable compensation for Mercialis' Chief Executive Officer is significantly lower than the average level of compensation for executives of stock market index companies.

The latest study⁽³⁾ by BNP Paribas Exane Research on the compensation structure for executives of listed European real estate companies also shows that the fixed compensation of Chief Executive Officers, over the 10 years preceding the study, increased overall in line with inflation. Since the renewal of the Chief Executive Officer's directorship in 2022, for a three-year period until the end of 2024, the cumulative rise in inflation in France was +12.7% (+19.9% over 10 years). Over the same three-year period since 2022, the year of the last increase in the Chief Executive Officer's compensation, the rate of return on Company shares (Total Shareholder Return) was +53.11%, representing growth of 11.17% in Net Recurrent Earnings.

Also, for 2025, it is proposed to increase the Chief Executive Officer's annual fixed compensation by 13.95%. The proposed

increase would bring the Chief Executive Officer's annual fixed compensation to Euro 490,000. A posteriori of this change in 2025 to the Chief Executive Officer's fixed compensation, the amount of his annual fixed compensation would remain 6.0% below the average level and 2.0% below the median level of fixed compensation of executives of comparable listed companies on the AON panel studied.

This proposal is in line with the interests of stakeholders and takes into account the recent changes to employees' compensation. Indeed, over the period between the beginning of 2022 and the end of 2024 (therefore excluding the impact of the annual salary increases for 2025, scheduled for April), the average compensation of Company employees rose by 11.20% on a like-for-like basis. The aforementioned Proxinvest study also shows that Mercialis continues to rank among the "best" companies in terms of the equity ratio (6th in the 2023 ranking with an equity ratio of 12x compared to an average of 67x for SBF 120 companies). This equity ratio of the Chief Executive Officer's compensation compared to the compensation of Company employees decreased over the period between 2020 and 2024, from 12.6x to 11.9x as an average ratio and from 15.2x to 13.8x as a median ratio. Taking into account the proposed increase in the Chief Executive Officer's compensation, the equity ratio would stand at 12.3x on average and 14.4x on the median (i.e. in both cases still below 2020 levels), excluding the impact of mandatory annual negotiations and other increases for employees that will come into effect in April 2025.

These elements demonstrate that the change proposed is reasonable and is in line with best market practices. More generally, the compensation policy for the Chief Executive Officer continues to be structured so as to reward the Company's performance, particularly over the long-term.

Annual variable compensation

Annual variable compensation rewards performance for the fiscal year in question and aims to establish a link between executives' interests and Mercialis' operational strategy over the period.

As a reminder, the target variable compensation of Vincent Ravat for the 2024 fiscal year amounted to 70% of his annual fixed compensation. In the event of outperformance, this variable compensation could reach up to 140% of the annual fixed compensation. It is proposed that this variable compensation policy remain unchanged in 2025.

The Proxinvest report on compensation for the 2023 fiscal year, published in 2024, shows a median target variable rate of 100% and a maximum median variable rate of 150% of the fixed salary for executives of SBF 120 companies.

The variable compensation of the Chief Executive Officer is in line with the highest market standards (AFEP-MEDEF Code recommendation to make quantifiable criteria preponderant), being subject to the achievement of ambitious and measurable objectives with clearly-defined criteria. Given the variety of challenges, including strategic, human resources and CSR-related issues facing the Company in fiscal year 2025, and in order to better preserve the confidentiality of policy changes, it is proposed that the objectives are broken down into specific quantitative criteria relating to the Company's main challenges in terms of financial and operational performance, and an aggregate quantitative criterion relating to strategic, social, climate and environmental issues, together with measurable and verifiable indicators.

(1) 2020 report on corporate governance and executive compensation for listed companies, AMF, November 24, 2020.

(2) Panel selected by AON of companies operating in the real estate sector including Alstria, Deutsche Euroshop, Eurocommercial Pty, Frey SA, Great Portland Estates, Hammerson, Workspace Plc, Altarea, Argon, Carmila, Covivio, Gecina, Icade, IGD, NewRiver, Peugeot Invest, Société de la Tour Eiffel, SFL and Wereldhave. This panel is made up of French companies (53%) and international companies (47%).

(3) The panel of the study entitled "PAYing attention", dated December 6, 2023, covers the following 22 listed companies: Vonovia, URW, LEG, Landsec, SECGRO, British Land, GPE, Hammerson, Derwent, Klépierre, Covivio, Cofinimmo, Aedifica, VGP, Gecina, AroundTown, Shurgard, Carmila, CTP, Icade, WDP and Tritax.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

The objectives selected reflect the main challenges facing the Company for the coming year:

		% fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (100% of the total variable compensation)	Growth in Net Recurrent Earnings	0%	20.0%	40.0%
	EBITDA margin - like-for-like basis	0%	20.0%	40.0%
	Total financial vacancy rate	0%	15.0%	30.0%
	Aggregate objective focused on the strategy to improve the quality of the portfolio (developments / investments / disposals), human resources management (including maintaining high parity standards) and the implementation of the 4 Fair Impacts CSR strategy	0%	15.0%	30.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0%	70.0%	140.0%

For each objective and criterion, the minimum achievement threshold would be set (by the Board of Directors on the advice of the Appointments, Compensation and Governance Committee) at a level at least equal to or higher than the objectives that Mercialis has set itself for the fiscal year in question. The target threshold would be set in excess of these objectives and the maximum threshold far in excess of expectations. Variable compensation would be calculated in a linear fashion between the minimum threshold and the maximum threshold.

If it is unable to take advantage of the exemption offered by Article L. 22-10-8, III of the French Commercial Code, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, may adjust the thresholds, objectives and targets in the event of changes in accounting standards and methods. In addition, in the event of a material change in the Group's strategy or scope (in particular, following a merger or disposal, a change of control, the acquisition or the creation of a new significant business or the discontinuation of an existing significant business), the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will be able to use its discretion to adjust, upwards or downwards, one or more performance criteria-related parameters (weighting, trigger thresholds, objectives, targets, etc.) of the Chief Executive Officer's annual variable compensation, in order to ensure that the application of these criteria reflect both his performance and that of the Group.

In the event of the departure of the Chief Executive Officer, including in the event of death or incapacity and except in the event of dismissal for serious or gross misconduct, the variable compensation for the current year will be calculated on a prorata temporis basis of his service as an executive corporate officer of Mercialis. The calculation of the variable compensation will then be based on the performance criteria assessed at the end of the year during which the Chief Executive Officer ceases to perform his duties.

In any event, and pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable component of compensation for fiscal year 2024, after determination of its amount based on the achievement of the objectives defined above, will be conditional on approval from the Company's Ordinary General Meeting to be held in 2025.

Long-term compensation

In order to associate the Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code, on the principle of bonus share plans.

Bonus shares may only be granted to executive corporate officers if the Company grants one of the following benefits to its employees and to at least 90% of employees in its subsidiaries:

- share purchase and/or subscription options;
- bonus share plans;
- the introduction of an incentive agreement or statutory profit-sharing agreement.

In order to comply with the recommendations of the proxy advisory firms, it is proposed that the amount awarded to Vincent Ravat now be expressed as a percentage of his annual fixed compensation while being maintained at percentages of his fixed compensation equivalent to those of the 2024 plan, but with the removal of the capping mechanism. No compensatory effect could therefore occur between performance criteria. The target would remain set at 125% of the Chief Executive Officer's fixed annual compensation and the maximum would be 160%, these thresholds remaining unchanged from 2024. Furthermore, in the interests of clarity, the achievement rates of criteria will now be expressed as a vesting percentage of the total initial allocation in number of shares against the fixed compensation.

All of the Chief Executive Officer's target variable compensation (annual variable compensation and long-term performance shares) would continue to be within the thresholds recommended by the proxy advisory firms, not exceeding 200% of the fixed salary and total variable compensation not exceeding 300% of the maximum fixed compensation.

In addition, the annual variable compensation will not exceed the long-term conditional portion of the Chief Executive Officer's compensation so as to promote alignment between compensation and long-term performance and not to encourage short-term risk-taking.

Service and holding conditions

In accordance with the provisions of Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, the bonus shares granted would only vest to the Chief Executive Officer at the end of a 3-year vesting period, subject to the condition of ongoing service (as a corporate officer). At the end of this 3-year vesting period, the Chief Executive Officer would be required to keep 100% of his bonus shares for a period of at least 2 years after their vesting, and thereafter to hold 50% of them in registered form until the termination of his duties as corporate officer. The obligation to retain 50% of the shares acquired for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the previous fiscal year. Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Chief Executive Officer undertakes not to make use of risk hedging transactions on shares held, awarded or vested until the end of the mandatory holding period.

In the event of the departure of the Chief Executive Officer, including in the event of death or incapacity and except in the event of dismissal for serious or gross misconduct, the right to the bonus shares that would have been awarded to him before the effective date of his departure would be maintained on a *prorata temporis* basis of his service as executive corporate officer of Mercialis during the vesting period, while remaining subject to the performance conditions of said plan. The performance conditions will then be calculated on the basis of the plan's performance criteria assessed at the end of the year during which the Chief Executive Officer ceases to perform his duties. In such a case, the Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

Performance conditions

All shares will be subject to the following performance conditions, measured at the end of the 3-year period based on 4 criteria:

- initially, to measure Mercialis' share performance against that of its market sector peers and bring executives into line with their shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms with reference to a panel of sector companies. These companies are similar to Mercialis in terms of geographical location, size or activity. This panel is as follows:

Peers constituting the index	ISIN	Country	Business segment	Geographical exposure
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain
Citycon OYJ	FI4000369947	Finland	Diversified shopping centers	Northern Europe
Deutsche EuroShop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czechia, Austria, Hungary
Eurocommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe
Merlin Property	ES0105025003	Spain	Shopping centers, offices, logistics centers	Spain, Portugal
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom
Retail Estates	BE03720340	Belgium	Diversified shopping centers	Benelux
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States
Vastned Retail N.V.	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium

04

- it is proposed to add a criterion of average absolute stock market performance over 3 years between January 1, 2025 and December 31, 2027. This will make it possible to assess the profitability generated for Mercialis shareholders in terms of the stock market performance of the share and the dividends received;
- in addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of Growth in Recurring Net Income, measured as an annual average over 3 years, between January 1, 2025 and December 31, 2027, in order to align executives' interests with those of the shareholders in terms of the Company's growth;
- lastly, with regard to the CSR policy, an objective to reduce the carbon intensity of the Mercialis portfolio is set, in order to ensure the Company's positive contribution to the fight against climate change. In accordance with the recommendations of the 2023 barometer on compensation by the IFA, Chapter Zero France and Ethics & Boards on the climate in CEO compensation policies, this objective is aligned with the Company's new Net Zero carbon emissions roadmap which has been submitted to the SBTi for certification.

The relative weighting of each of these four awarding criteria and the associated performance conditions would be as follows:

- 20% of the total target allocation based on the absolute stock market criterion: absolute performance of the Mercialis share, including dividends (Total Shareholder Return ⁽¹⁾), measured between January 1, 2025 and December 31, 2027.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Mercialis' average annual TSR (Total Shareholder Return) over three years	Vesting % of total allocation by number of shares against fixed compensation
10.00%	0%
14.00%	25%
18.00%	32%

The multiplier moves in a linear fashion between the limits set above.

(1) The TSR, or Total Shareholder Return, corresponds to the rate of return on shares over the period and includes dividends received and capital gains realized. It will be calculated:
- using as an initial reference value the average share price for the 10 days preceding the start date of the period
- using as a final reference value the average share price for the 10 days preceding the end date of the period, inclusive
- by taking into account gross dividends whose payment date is between the start and end dates of the period.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

- 25% of the total target allocation based on the relative stock market criterion: relative performance of Mercialis shares, including dividends (TSR), compared to the performance of a specific pre-determined panel of comparable companies at January 1, 2025, measured between January 1, 2025 and December 31, 2027.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Ranking of Mercialis' average annual TSR over 3 years compared to a panel of comparable companies	Vesting % of total allocation by number of shares against fixed compensation
1 st place	40%
2 nd place	38.54%
3 rd place	37.08%
4 th place	35.62%
5 th place	34.17%
6 th place	32.70%
7 th place	31.25%
8 th to 14 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 13 companies comprising the panel as at January 1, 2025, plus Mercialis.

Should the panel of comparable companies no longer comprise these 13 companies at December 31, 2027, in particular due to takeovers, mergers, bankruptcies or delistings occurring during the securities' vesting period, the assessment of Mercialis' ranking would be adjusted accordingly.

In particular, in the event that the total number of companies in the panel, plus Mercialis, should again consist of an odd number of companies, the minimum ranking for any allocation would correspond to the ranking immediately higher than the arithmetic average. Thus, if for example only 10 companies on the panel, i.e. 11 companies in total including Mercialis, were still listed on December 31, 2027, no allocation would be granted for a ranking below 5th place. All multipliers would be adjusted accordingly in a linear fashion between the average ranking determined in this way (allocation threshold) and 1st place (maximum allocation coefficient).

- 25% of the total allocation for the financial criterion: growth in Net Recurrent Earnings measured as a three-year annual average between January 1, 2025 and December 31, 2027:

Average annual 3-year growth in Net Recurrent Earnings	Vesting % of total allocation by number of shares against fixed compensation
2.00%	0%
3.00%	31.25%
4.00%	40%

The multiplier moves in a linear fashion between the limits set above.

30% of the total allocation for the CSR criterion: reduction over 3 years of the carbon intensity per unit area in line with Mercialis' Net Zero 2050 roadmap, which has been submitted for SBTi certification (in kgCO₂eq/sq.m using the Whole Building Approach: maximum intensity of 12.99 kgCO₂eq/sq.m at the end of 2027, corresponding to a reduction in emissions of at least 48.11% compared to 2017 (reference year of the roadmap):

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Three-year carbon intensity on the current scope of the portfolio using the Whole Building Approach (reduction vs. 2017 reference value of the roadmap)	Vesting % of total allocation by number of shares against fixed compensation
12.99 kgCO ₂ eq/sq.m (i.e. -48.11% vs. 2017)	0%
12.50 kgCO ₂ eq/sq.m (i.e. -50.06% vs. 2017)	37.50%
11.78 kgCO ₂ eq/sq.m (i.e. -52.92% vs. 2017)	48.00%

The multiplier moves in a linear fashion between the limits set above.

In the event of an exceptional event such as the impact of the COVID-19 epidemic, a change of control or significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will have discretionary power in particular to reduce, eliminate or postpone, for the absolute and relative TSR stock market criteria, the application of the financial and non-financial criteria (a maximum of 33.33% of long-term compensation criteria) if the calculation of the achievement rate of these criteria became difficult due to an exceptional event.

So-called "clawback" clause and penalties

In order to align compensation policies with best governance practices, in the event of serious misconduct or proven fraud (embezzlement, forgery in particular), during the vesting period, resulting in a significant adverse impact on the Group's results, the Company reserves the right, based on a substantiated decision by the Board of Directors, to bring action against the Chief Executive Officer by requesting repayment ("clawback"), within the limits of applicable law, of all or part of the annual variable compensation paid over the period in question.

In addition, in such a situation, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, may decide to cancel the Chief Executive Officer's rights to performance shares that have not yet vested (penalty).

Other compensation components

The Chief Executive Officer does not benefit from any additional pension plan. He participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the insurance and healthcare benefit plan in force within the Company for all employees. He will continue to benefit from senior executive unemployment insurance. In the event of the departure of the Chief Executive Officer, the benefit of the Company's health plan will be extended to the period covered by the senior executive unemployment insurance.

He does not receive any other benefit of any kind, except a company car.

No severance allowance shall be paid to the Chief Executive Officer resulting from the termination of, or change in, his position.

The Chief Executive Officer may receive compensation in the event of the termination of his duties in exchange for a non-competition and non-solicitation obligation, which would be paid on a monthly basis equivalent to one-twelfth of 50% of the total annual compensation (fixed and variable) of Vincent Ravat, this total annual compensation being calculated as the average of the compensation package paid for the two fiscal years preceding his departure. It would apply for a period not exceeding the time of his presence in the Company with a maximum duration of 2 years, it being specified that the Company may reduce the period of application or waive it.

This level is below recommendation 25.6 of the AFEP-MEDEF Code, which refers to a cap of 2 years' overall compensation including the annual fixed and variable components.

The payment of the non-competition compensation is excluded when the Chief Executive Officer exercises his right to retire. In any event, no non-competition indemnity may be paid beyond the age of 65.

4.2.2.6 Compensation of the Deputy Chief Executive Officer in respect of fiscal year 2024

A. Principles and criteria for determining, distributing and awarding the components of the Deputy Chief Executive Officer's compensation in 2024

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2024 to the Deputy Chief Executive Officer in respect of her corporate office, were submitted for approval by the Ordinary General Meeting on April 25, 2024 (15th resolution).

At the Ordinary General Meeting of April 25, 2024, the shareholders approved the principles and criteria for determining and awarding the compensation of the Deputy Chief Executive Officer.

The selected criteria, and their weighting in determining the variable compensation, would be as follows:

		% fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (100% of the total variable compensation)	FFO growth ⁽¹⁾ (20% of the total variable)	0%	11%	22%
	EBITDA margin - like-for-like basis (20% of the total variable)	0%	11%	22%
	Total financial vacancy rate (10% of the total variable)	0%	5.5%	11%
	Investment volume and arbitrage - excluding maintenance (10% of the total variable)	0%	5.5%	11%
	Rate of non-rebillable service charges (on a like-for-like basis as a % of rental revenues) (10% of the total variable)	0%	5.5%	11%
	"Greening" of financing and compliance with CSR objectives associated with changes in bank line margins (10% of the total variable)	0%	5.5%	11%
	Corporate Social Responsibility: achievement rate on a linear basis at the end of 2024 of the major objectives of the Company's 4 Fair Impacts strategy on the 2030 global strategic roadmap (20% of the total variable)	0%	11%	22%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	55.0%	110.0%

For each quantifiable criterion, a minimum threshold of achievement has been set, along with a target level corresponding to the objectives of Mercialis for a performance that meets objectives, and a level of outperformance of the targets. Variable compensation is calculated in a linear or graduated fashion between the minimum threshold and the maximum threshold.

These principles adhere to the recommendations of the AFEP-MEDEF Code, and are detailed in § 4.2.2.1, p. 259 et seq.

The 2024 compensation policy for the Deputy Chief Executive Officer is set out below. The way in which this policy was followed is set out in point B below.

Fixed compensation

For 2024, the annual fixed compensation of the Deputy Chief Executive Officer was maintained at Euro 318,000.

Annual variable compensation

It was decided to maintain for fiscal year 2024 the variable compensation mechanism put in place in 2023.

Elizabeth Blaise's variable compensation for 2024 was structured around a set of balanced criteria, covering aspects of financial performance, operational performance, non-financial performance relating to the CSR strategy including the Company's climate and more generally social and environmental issues.

The target annual variable compensation of the Deputy Chief Executive Officer is set at 55% of her annual fixed compensation if the objectives set are achieved. It could reach 110% of her annual fixed compensation if these objectives are exceeded.

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(1) The notion of "FFO" is gradually being replaced by "NRE" (Net Recurrent Earnings) in the Company's financial documentation without changing the historical calculation methods.

Long-term compensation

In order to associate the Deputy Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code (as set out on p. 276 for the Chief Executive Officer), the principle of a bonus share plan.

The awarding of these shares would represent a target of 100% of the annual fixed compensation (i.e. Euro 318,000) if the defined objectives are achieved, and up to 150% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 130% of the annual fixed compensation (i.e. Euro 413,400), in order to comply with best market practices.

Service and holding conditions

In accordance with the provisions of Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, it has been decided that the bonus shares will only vest to the Deputy Chief Executive Officer at the end of a 3-year vesting period, subject to continued service conditions (as a corporate officer). At the end of this 3-year vesting period, the Deputy Chief Executive Officer will be required to keep 100% of her shares for a period of at least 2 years after they are fully vested, and thereafter to hold 50% of them in registered form until the termination of her duties as corporate officer. The obligation to retain 50% of the vested shares for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the

previous fiscal year. Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the holding period.

In the event of the departure of the Deputy Chief Executive Officer, including in the event of death or disability, and except in the event of resignation or dismissal for serious or gross misconduct, the right to the bonus shares that would have been allocated to her before the effective date of her departure would be maintained on a *pro rata temporis* basis of her presence as executive corporate officer of Mercialis during the vesting period, while remaining subject to the performance conditions of said plan. The performance conditions would then be calculated, on the basis of the performance criteria, assessed at the end of the year in which the Deputy Chief Executive Officer ceases to perform her duties as a corporate officer (and without taking into account the impact of years subsequent to the termination of her duties). In such a case, the Deputy Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

Performance conditions

All shares will be subject to the following performance conditions, measured at the end of the 3-year period based on 4 criteria:

- initially, to measure Mercialis' share performance against that of its market sector peers and align executives' interests with those of the shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms with reference to a panel of sector companies. These companies are similar to Mercialis in terms of geographical location, size or activity. This panel is as follows:

Peers constituting the index	ISIN	Country	Business segment	Geographical exposure
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain
Citycon	FI4000369947	Finland	Diversified shopping centers	Northern Europe
Deutsche EuroShop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czechia, Austria, Hungary
Eurocommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe
Lar España Real Estate	ES0105015012	Spain	Neighborhood shopping centers	Spain
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom
Retail Estates	BE03720340	Belgium	Diversified shopping centers	Benelux
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States
Vastned Retail	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium

- it is proposed to add a criterion of average absolute stock market performance over 3 years between January 1, 2024 and December 31, 2026. This will make it possible to assess the profitability generated for Mercialis shareholders in terms of the stock market performance of the share and the dividends received;
- in addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of growth in Net Recurrent Earnings, measured as an annual average over 3 years between January 1, 2024 and December 31, 2026, in order to align executives' interests with those of the shareholders in terms of the Company's growth;
- lastly, with regard to the CSR policy, an objective to reduce the carbon intensity of the Mercialis portfolio was set to ensure the Company's positive contribution to the fight against climate change. In accordance with the recommendations of the 2023 barometer on compensation by the IFA, Chapter Zero France and Ethics & Boards on the climate in CEO compensation policies, this objective is aligned with the Company's new 2030 GHG emissions reduction objective which has been submitted to the SBTi for certification.

The relative weighting of each of these 4 criteria and the associated performance conditions would be as follows:

- 20% of the total target allocation based on the absolute stock market criterion: absolute performance of Mercialis shares, including dividends (Total Shareholder Return), measured between January 1, 2024 and December 31, 2026.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Mercialis' average annual TSR (Total Shareholder Return) over 3 years	Coefficient multiplier
10.00%	0%
14.00%	100%
18.00%	150%

- 25% of the total target allocation based on the relative stock market criterion: relative performance of Mercialis shares, including dividends (TSR), compared to the performance of a specific panel of comparable companies at January 1, 2024, measured between January 1, 2024 and December 31, 2026.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Ranking of Mercialis' average annual TSR over 3 years compared to a panel of comparable companies	Coefficient multiplier
1 st place	150%
2 nd place	141.6%
3 rd place	133.3%
4 th place	125%
5 th place	116.7%
6 th place	108.3%
7 th place	100%
8 th to 14 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 12 companies comprising the panel as at January 1, 2024, plus Mercialis.

Should the panel of comparable companies no longer comprise these 13 companies at December 31, 2026, in particular, due to takeovers, mergers, bankruptcies or delistings occurring during the securities' vesting period, the assessment of Mercialis' ranking would be adjusted accordingly.

In particular, should the panel of comparable companies, including Mercialis, comprise an uneven number of companies, the 100% performance would correspond to the ranking immediately above the arithmetical average. If, for example, only 10 companies, i.e. a total of 11 companies including Mercialis, were still listed on the panel on December 31, 2025, the coefficient of 100% would correspond to 5th place. All the multipliers would therefore be readjusted in a linear fashion between the average ranking determined in this way (coefficient of 100%) and 1st place (coefficient of 150%).

- 25% of the total target allocation for the financial criterion: growth in Net Recurrent Earnings measured as a 3-year annual average between January 1, 2024 and December 31, 2026:

Average annual 3-year growth in Net Recurrent Earnings (NRE)	Multiplier
2.00%	0%
3.00%	100%
4.00%	150%

The multiplier moves in a linear fashion between the limits set above.

- 30% of the total allocation for the CSR criterion: reduction over 3 years of the carbon intensity per unit area on scopes 1 & 2 by outperforming (about 2 years ahead) Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method): maximum emission target of 14.3 kgCO₂eq/sq.m at the end of 2026, corresponding to a reduction in emissions of approximately 40% compared to 2017 (reference year of the certified roadmap):

At the end of the 3-year period, the number of shares vested in respect of this performance criterion will be determined in accordance with the table below:

Reduction of carbon intensity on scopes 1 & 2 on the portfolio's current scope (three-year change versus reference value of the 2017 roadmap)	Multiplier
- 35.2%, i.e. 15.1 kgCO ₂ eq/sq.m.	0%
- 38.6%, i.e. 14.3 kgCO ₂ eq/sq.m	100%
- 42.1%, i.e. 13.5 kgCO ₂ eq/sq.m	150%

The multiplier moves in a linear fashion between the limits set above.

In the event of an exceptional event such as the impact of the COVID-19 epidemic, a change of control or significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will have discretionary power in particular to reduce, eliminate or postpone, for the absolute and relative TSR stock market criteria, the application of the financial and non-financial criteria (a maximum of 33.33% of long-term compensation criteria).

Other compensation components

The Deputy Chief Executive Officer does not benefit from any additional pension plan. She participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the pension plan in force within the Company for all employees.

She also benefits from senior executive unemployment insurance. She does not receive any other benefit of any kind.

No severance allowance shall be paid to the Deputy Chief Executive Officer resulting from the termination of, or change in, her position.

The Deputy Chief Executive Officer may also benefit from an indemnity relating to a non-competition clause. In the event of the termination of her duties, the Deputy Chief Executive Officer would be bound by a non-competition and non-solicitation clause. In return, the Deputy Chief Executive Officer would be paid a monthly indemnity equivalent to one-twelfth of 50% of her total annual compensation (fixed and variable), the payment of which would be staggered. This total annual compensation would itself be calculated as the average of the compensation package paid in respect of the 2 fiscal years preceding her departure. It would apply for a period not exceeding the time of his presence in the Company with a maximum duration of 2 years, it being specified that the Company may reduce the period of application of it or waive it.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

This level is below recommendation 25.6 of the AFEP-MEDEF Code, which refers to a cap of 2 years' overall compensation including the annual fixed and variable components.

The payment of the non-competition compensation is excluded when the Deputy Chief Executive Officer exercises her right to retire. In any event, no non-competition indemnity may be paid beyond the age of 65.

B. Details of the compensation, in respect of fiscal year 2024, of Elizabeth Blaise, Deputy Chief Executive Officer

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys and the companies it controls to Elizabeth Blaise, for fiscal years 2024 and 2023 are as follows. It should be remembered that Mercialys is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

► TABLE 1 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

(in euros)	2024 fiscal year	2023 fiscal year
Compensation awarded in respect of the fiscal year (see § 2 below)	692,247	672,065
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Cumulative valuation of current bonus share plans (vesting subject to service and performance conditions) ⁽¹⁾	617,440	522,351
Valuation of bonus shares granted	192,574 ⁽³⁾	95,950 ⁽²⁾
TOTAL	1,502,261	1,290,366

(1) Potential value in the consolidated financial statements of the shares awarded and not yet vested, for the fiscal year and subject to ongoing service as a corporate officer as well as 3-year performance conditions (see section 4 below).

(2) Value of the 29,253 bonus shares vested to Elizabeth Blaise under Plan 33, valued on the basis of the consolidated financial statements.

(3) Value of the 35,596 bonus shares vested to Elizabeth Blaise under Plan 36, valued on the basis of the consolidated financial statements.

2. Compensation awarded or paid by Mercialys and the companies it controls

The compensation and benefits of any kind awarded or paid by the Company to Elizabeth Blaise, in respect of her corporate office as Deputy Chief Executive Officer, during and in respect of fiscal years 2024 and 2023, are as follows:

► TABLE 2 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

(in euros)	2024 fiscal year		2023 fiscal year	
	Amounts awarded ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts awarded ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation ⁽¹⁾	318,000	318,000	318,000 ⁽³⁾	318,000 ⁽³⁾
Annual variable compensation ⁽¹⁾	334,218 ⁽²⁾	314,645	314,645	279,665
Multi-annual variable compensation ⁽³⁾	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated in respect of the directorship	-	-	-	-
Benefits in kind ⁽⁴⁾	40,029	40,029	39,420	39,420
TOTAL	692,247	672,674	672,065	637,085

(1) Gross compensation before social security contributions and tax.

(2) The methods for determining variable compensation are set out in the 2024 compensation policy, as approved at the Ordinary General Meeting of April 25, 2024, presented in § 4.2.2.6, A, p. 279 et seq., and details are provided in Table 3 below, it being specified that this amount will be paid only subject to the approval of the 12th resolution presented to the Ordinary General Meeting of April 29, 2025.

(3) Elizabeth Blaise does not receive multi-annual variable compensation in cash.

(4) Senior executive unemployment insurance and insurance and healthcare benefit plan covering all the Company's employees.

(5) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(6) Compensation paid during the fiscal year, regardless of the allocation date.

3. Annual variable compensation

The variable compensation of Elizabeth Blaise for fiscal year 2024 was determined by the Board of Directors at its meeting of February 12, 2025, on the proposal of the Appointments, Compensation and Governance Committee, applying the criteria presented in the table below:

	Assessment	% of fixed compensation				Amount <i>(in euros)</i>
		Minimum	Target	Maximum	Achieved	
NRE growth (20% of the total variable)	NRE increased by 3.8% compared to 2023, well above the annual projection. This increase is the result of good rental dynamics, control of expenses and financing costs.	0.0%	11.0%	22.0%	19.8%	62,964
		2.0%	3.0%	4.0%	3.8%	
EBITDA margin - like-for-like basis (20% of the total variable)	Normalization of the EBITDA rate still at a high level compared to sector peers	0.0%	11.0%	22.0%	22.0%	69,906
		80.0%	81.0%	82.0%	82.0%	
“Greening” of financing and compliance with CSR objectives associated with changes in margins on unused bank credit lines (10% of the total variable)	The achievement of objectives in terms of carbon emissions and certification enables Mercialys to benefit from a margin improvement bonus on the 5 bilateral bank credit lines concerned	0.0%	5.5%	11.0%	11.0%	34,980
		Penalty	Neutral	Bonus	Bonus	
Investment volume and arbitrage (total amount in millions of euros) (10% of the total variable)	Continued refocusing of the portfolio through the disposal of Euro 80.3 million of assets (Group share) to continue to demonstrate Mercialys’ ability to secure asset liquidity	0.0%	5.5%	11.0%	11.0%	34,980
		€40M	€50M	€60M	€80.3M	
Rate of non-rebillable expenses (excluding fees) on a like-for-like basis (as a % of rental revenues) (10% of the total variable)	Improvement of the rate of non-rebillable expenses by reducing current vacancies and site operating expenses	0.0%	5.5%	11.0%	8.3%	26,394
		4.4%	4.2%	4.0%	4.1%	
Total financial vacancy rate (10% of the total variable)	Significant improvement (-30bps) in the total financial vacancy rate vs. at the end of 2023 (4.4%) in a challenging context in terms of consumption and P&L for retailers	0.0%	5.5%	11.0%	11.0%	34,980
		4.7%	4.4%	4.1%	4.1%	
Achievement on a linear basis of the major objectives of the Company’s 4 Fair Impacts strategy on the 2030 global strategic roadmap (20% of the total variable)	Mercialys remains ahead of the major commitments of its 4 Fair Impacts CSR strategy. Its results in terms of reducing its CO ₂ emissions are part of a new, even more ambitious roadmap which has been submitted for SBTi certification. CSR excellence once again underlined by sustainability rankings at the highest level (winner of the ESG Transparency Award for ESG information and a Sustainalytics Region & Industry ESG Top-Rated company) or in terms of climate, with a GRESB score up over one year, enabling it to maintain its 5 stars Green Star status, the highest category of the benchmark.	0.0%	11.0%	22.0%	22.0%	69,960
		40%	50%	60%	61.5%	
TOTAL VARIABLE (% OF FIXED COMPENSATION AND AMOUNT IN EUROS)		0.0%	55.0%	110.0%	105.1%	334,218

In 2024, Mercialys continued to make positive changes to its business model and operational processes, in an environment marked by high volatility in interest rates and bond spreads, as well as moderate growth in household consumption. In this demanding context, Elizabeth Blaise made a significant contribution to strengthening Mercialys' resilience and competitiveness, intervening effectively on real estate, transactional and financial aspects. Her initiatives resulted in the achievement of the exclusively quantitative objectives set for her compensation.

The objectives were thus met in terms of value creation dynamics by reducing the vacancy rate, rebalancing the merchandising mix and fueling sustainable organic growth for the Company, thus helping to strengthen the medium-term growth trajectory of results.

In addition, she rigorously oversaw internal procedures and closely supervised the external facility manager, contributing to the control of non-rebillable expenses, the control of retailer occupancy cost ratio and the improvement of Mercialys' operational performance.

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Compensation and benefits paid to directors and corporate officers

In the context of the ten-year CSR policy, Elizabeth Blaise closely monitored the work of the dedicated team and the effective coordination with the field teams and the facility manager. These efforts enabled Mercialys to exceed the interim targets set for 2024 whilst identifying optimization measures to meet its long-term ambitions. This proactive strategy has enabled the Company to benefit from the bonuses related to the greening of its loans, positively impacting its net financial expense while consolidating its reputation with bank lenders.

This variable compensation will only be paid subject to the approval of the 12th resolution proposed to the Company's Ordinary General Meeting on April 29, 2025 (see Chapter 8, p. 361).

4. Share subscription or purchase options and bonus shares awarded by the Company and/or the companies it controls

In 2024, in her capacity as Deputy Chief Executive Officer, Elizabeth Blaise benefited from a performance share plan, which is subject to service and performance conditions over three years (Plan 45).

► TABLE 6 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Performance shares awarded to Elizabeth Blaise					
No. and date of plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method adopted for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Plan 45, 04/25/2024	29,954 ⁽¹⁾	€243,226	04/25/2027	04/26/2029 ⁽³⁾	Yes ⁽²⁾

(1) If the performance criteria are exceeded, the maximum number of shares that may be granted to Elizabeth Blaise will be 38,941 shares.

(2) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of 4 performance criteria: the relative performance of Mercialys shares including dividends (relative TSR) compared to the performance of a pre-determined panel of comparable companies, measured between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; the absolute performance of Mercialys shares including dividends (absolute TSR), measured between January 1, 2024 and December 31, 2026, for 20% of the initial allocation; growth in the Company's NRE measured as an annual average (CAGR) over 3 years between January 1, 2024 and *** and the portfolio's BREEAM In-Use certification rate as a percentage of its value for the remaining 30% of the initial allocation.

(3) In accordance with the provisions of Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, the bonus shares granted would only vest at the end of a 3-year vesting period, subject to the condition of ongoing service (as a corporate officer). At the end of this 3-year vesting period, the Deputy Chief Executive Officer will be required to keep 100% of her bonus shares for a period of at least 2 years after they are fully vested, and thereafter to hold 50% of them in registered form until the termination of her duties as corporate officer. The obligation to retain 50% of the vested shares for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialys shares for the previous fiscal year. Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the holding period.

In addition, in 2024, shares granted in 2021 were vested to Elizabeth Blaise (Plan 36). Taking into account the performance criteria, Plan 36 resulted in the vesting of 35,596 shares in 2024. Taking into account the performance criteria, Plan 36 resulted in the vesting of 35,596 shares in 2024.

► TABLE 7 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Performance shares vested to Elizabeth Blaise in 2024			
No. and date of plan	Number of shares vested during the fiscal year	Vesting date	Vesting conditions
Plan 36, 04/22/2021	35,596 ⁽¹⁾	04/22/2024 ⁽³⁾	Yes ⁽²⁾

(1) The number of shares vested corresponds to a valuation in the consolidated financial statements of Euro 192,574, i.e. 0.038% of the Company's share capital based on the number of Company shares at December 31, 2024.

(2) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of 3 performance criteria: the achievement rate of the objectives at December 31, 2023 reaching 139.99% of the target: 120% achievement rate (Mercialys ranked 4th in the panel of 13 companies making up the index) on the criterion of the relative performance of Mercialys shares including dividends (relative TSR measured between January 1, 2021 and December 31, 2023), for 33% of the initial allocation; 150% achievement rate (96.4%) on the Breeam In-Use certification criterion for the portfolio, for 33% of the initial allocation; and a 150% achievement rate on the criterion for the average annual growth in FFO measured over the period from January 1, 2021 to December 31, 2023 (+4.5%), for the remaining 33% of the initial allocation. It should be noted that, in view of the provisions relating to the cap on the portion of long-term compensation as a proportion of the fixed compensation of the Deputy Chief Executive Officer, the number of shares vested is limited to the maximum cap of 35,596 shares for the Deputy Chief Executive Officer.

(3) Of the total number of shares that vest, the Board of Directors has specified that beneficiaries must hold 50% of the bonus shares in registered form until the end of their corporate office within Mercialys.

As a reminder, the list of performance share plans from which Elizabeth Blaise has benefited as a corporate officer includes:

► **TABLE 10 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02**

	Plan 33	Plan 36	Plan 39	Plan 42	Plan 45
Date of the Annual General Meeting	04/25/2019	04/22/2021	04/22/2021	04/27/2023	04/27/2023
Date of Board meeting	04/23/2020	04/22/2021	04/28/2022	04/27/2023	04/25/2024
Total number of bonus shares awarded to corporate officers (target number of shares subject to service and performance conditions)	107,020	73,879	95,548	93,395 ⁽²⁾	80,585 ⁽⁴⁾
O/w target number of shares awarded to Elizabeth Blaise	39,665	27,382	34,773	34,716 ⁽³⁾	29,954 ⁽⁵⁾
Vesting date of shares	04/23/2023	04/22/2024	04/28/2025	04/27/2026	04/25/2027
Holding period end date	04/23/2025	04/22/2026	04/28/2027	04/27/2028	04/25/2029
Total number of shares vested to corporate officers at 12/31/2024	78,927	95,112	120,437	n/a ⁽⁶⁾	n/a ⁽⁶⁾
O/w number of shares vested to Elizabeth Blaise	29,253	35,596	45,205 ⁽¹⁾	n/a ⁽⁶⁾	n/a ⁽⁶⁾
Number of shares canceled or lapsed at 12/31/2024	28,093	0	0	n/a ⁽⁶⁾	n/a ⁽⁶⁾
Number of outstanding bonus shares for plans not yet matured at 12/31/2024	-	0	0	93,395	80,585

(1) In view of the provisions relating to the cap on the portion of long-term compensation in proportion to the fixed compensation of the Deputy Chief Executive Officer, the number of shares that will vest is limited to the maximum cap set for the Deputy Chief Executive Officer of 45,205 performance shares that will vest to her in 2025, given that the rate of achievement of the objectives at December 31, 2024 was set at a level higher than the cap, i.e. an achievement rate of 135.99% of the performance conditions, i.e. 130% achievement rate (Mercialis ranked 3rd in the panel of 13 companies making up the previously detailed index) on the criterion of the relative performance of Mercialis shares, including dividends (relative TSR measured between January 1, 2022 and December 31, 2024), for 33% of the initial allocation; 129.5% achievement rate on the FFO ⁽¹⁾ growth criterion, measured as an annual average (CAGR) over three years between January 1, 2022 and December 31, 2024, for 33.33% of the initial allocation; and 150% for the three-year reduction of carbon intensity per unit area on scopes 1 and 2 criterion, outperforming Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method); result of 13.7 kgCO₂eq/sq.m exceeding the target of 17.4 kgCO₂eq/sq.m set for the end of 2024 and corresponding to the target commitment by the end of 2024 of a 25% reduction in emissions compared to 2017 (reference year of the certified roadmap), for the remaining 33.33% of the initial allocation.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to corporate officers will increase to 120,240, of which 45,131 shares for Elizabeth Blaise, corresponding to a valuation in the consolidated financial statements of Euro 230,619.

(3) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of objectives set at 20% of the target: namely 50% on 3 performance criteria: the relative performance of Mercialis shares including dividends (relative TSR) compared to the performance of a pre-determined panel of comparable companies, measured annually over the 3 years between January 1, 2023 and December 31, 2025, for 33.33% of the initial allocation; and 0% achievement rate on the NRE growth criterion, measured as an annual average (CAGR) over 3 years between January 1, 2023 and December 31, 2025, for the remaining 45% of the initial allocation.

(4) In the event of outperformance, the maximum number of shares that may be granted to corporate officers will be 103,748 shares, including 38,941 performance shares for Elizabeth Blaise.

(5) Bonus shares will only vest if the beneficiary (in their capacity as corporate officer) continues to serve the Company on the vesting date of the shares, and subject to the achievement of performance criteria: the absolute performance of Mercialis shares including dividends (absolute TSR), measured between January 1, 2024 and December 31, 2026, for 20% of the initial allocation; the relative performance of Mercialis shares including dividends (relative TSR), compared to the performance of a panel of pre-determined comparable companies, measured between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; growth in the Company's NRE measured as an annual average (CAGR) over 3 years between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; and the reduction over 3 years of the carbon intensity per unit area on scopes 1 and 2, outperforming Mercialis' SBTi-certified carbon roadmap (in kgCO₂eq/sq.m, on the current scope of the Mercialis portfolio, using the market-based method); minimum value at the end of 2026: 14.3 kgCO₂eq/sq.m, corresponding to the target commitment by the end of 2026 of a 30% reduction in emissions compared to 2017 (reference year of the certified roadmap), for the remaining 30% of the initial allocation.

(6) Since the three-year plan has not yet matured, it is not possible to calculate the number of shares that will vest, as at December 31, 2024.

(1) The notion of "FFO" is gradually being replaced by "NRE" (Net Recurrent Earnings) in the Company's financial documentation without changing the historical calculation methods.

5. Employment contract, special pension plan, severance pay and non-competition clause

► TABLE 11 – FRENCH FINANCIAL MARKETS AUTHORITY POSITION-RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension plan		Allowances or benefits payable or likely to be payable, due to the termination of or a change in position		Compensation linked to a non-competition clause	
Yes	No	Yes	No ⁽¹⁾	Yes	No	Yes ⁽²⁾	No
	○		○		○		○

(1) Elizabeth Blaise does not benefit from any supplementary pension plan. She is included in the mandatory group pension plan (ARRCO and AGIRC) and in the insurance and healthcare benefit plan covering all the Company's employees.

(2) Elizabeth Blaise may benefit from a payment linked to a non-competition and non-solicitation clause that would apply for a period not to exceed the time of her service to the Company, up to a maximum of 2 years; it is specified that the Company may reduce or waive the application of such clause. In exchange, she would be paid a monthly sum equivalent to one-twelfth of 50% of her annual total compensation (fixed and variable). This compensation will be paid in installments during her term of office.

As mentioned for Éric Le Gentil on p. 266, all the tables of the French Financial Markets Authority Position-Recommendation DOC-2021-02 that do not appear in the previous pages do not apply Elizabeth Blaise's compensation for the 2024 fiscal year (Tables 3, 4, 5, 8, 9).

Pursuant to the provisions of Article L. 225-100, III and L. 22-10-34 of the French Commercial Code, the Ordinary General Meeting of April 25, 2024 is called to approve the fixed, variable and exceptional components of the compensation package and benefits of any kind paid or awarded in respect of the previous fiscal year to the Deputy Chief Executive Officer for her corporate office in fiscal year 2023. Details and comments regarding this information can be found in Chapter 8, Appendix 3, p. 382 et seq.

4.2.2.7 Compensation policy for the Deputy Chief Executive Officer in respect of fiscal year 2024

Board of Directors' report on the compensation policy for the Deputy Chief Executive Officer for fiscal year 2025

(16th resolution of the Ordinary General Meeting of April 29, 2025)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind that may be awarded for 2025 to the Deputy Chief Executive Officer in respect of her corporate office must be submitted for approval by the Ordinary General Meeting on April 29, 2025.

In this regard, the Board of Directors, at its meeting on February 12, 2025, approved, on the basis of recommendations from the Appointments, Compensation and Governance Committee, the determining principles and the structure of the Deputy Chief Executive Officer's compensation for 2025.

A. Principles

The Board of Directors refers to the principles of the AFEP-MEDEF Code for determining the compensation of executive corporate officers: completeness, balance among the compensation components, benchmark, consistency, intelligibility of the rules and their measurement. Details of the main principles governing its approach are presented in § 4.2.2.1 p. 259 et seq.

It should be noted that the Board of Directors always ensures that executive compensation is competitive, is in line with corporate strategy and context and, in particular, aims to drive the Company's medium- and long-term performance and competitiveness by incorporating one or more Corporate Social Responsibility criteria. To this end, it ensures that:

1. compensation attracts, retains and motivates high-performing executives. Compensation must be competitive and reflect each individual's scope of responsibility.

The Appointments, Compensation and Governance Committee regularly employs an independent company to conduct a market survey among a panel of comparable stakeholders in terms of type and portfolio size. This keeps the compensation system consistent and maintains a good balance between fixed and variable components;

2. compensation is based on corporate strategy and performance.

The Appointments, Compensation and Governance Committee ensures that the Company's interests are in line with those of its shareholders and sets its executives' objectives. These objectives are subject to measurable and quantifiable performance conditions;

3. compensation incorporates Corporate Social Responsibility criteria.

Being aware of the major environmental, as well as social, issues, Mercialis sets ambitious and measurable short- and long-term objectives for its executives;

4. compensation is consistent and in line with employees' compensation.

The Appointments, Compensation and Governance Committee ensures consistency between compensation across the Company. For this reason, some corporate officers' objectives are incorporated into the variable compensation of some employees. These principles apply to all compensation components, including long-term compensation.

Considering that the objectives set are measurable and tangible, there is no provision for any deferral period for the payment of variable compensation, nor for the Company to request its return.

The concept of compensation for exceptional circumstances is not part of executive compensation policy.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors deliberates without the interested party being present.

B. Components of the Deputy Chief Executive Officer's compensation

Fixed compensation

The annual fixed compensation of Elizabeth Blaise was Euro 318,000 for the 2024 fiscal year. It is proposed that it remain unchanged in 2025.

However, to align the structure of the Deputy Chief Executive Officer's compensation with best market practices aimed at allowing time for risks and investments to materialize and be reflected in the Company's financial position, as well as not to encourage excessive risk-taking in the short term, it is proposed to

change the variable portion of her compensation, which currently exceeds the proportion of 25% of her maximum total compensation, while leaving her current annual fixed compensation unchanged.

Annual variable compensation

Short-term variable compensation rewards performance for a given fiscal year and aims to establish a link between executives' interests and Mercialis' operational strategy over the period.

As a reminder, the target variable compensation of Elizabeth Blaise for the 2023 fiscal year was 55% of her annual fixed compensation. If these objectives are exceeded, this variable compensation could reach up to 110% of the annual fixed compensation.

Under the current structure of the Deputy Chief Executive Officer's compensation, her fixed compensation represents 30% of her maximum total compensation, including annual variable and long-term compensation, compared to an average market practice of less than 25% for the panel of SBF 120 companies, as reported by Proxinvest in its 2023 study published in 2024 on the compensation of executives of listed companies. A portion of variable compensation (annual and long-term) of approximately 75%, the majority of which is long-term, is recommended by proxy advisory firms.

It is therefore proposed to change the weighting of the Deputy Chief Executive Officer's variable compensation, while maintaining a long-term preponderance in her total compensation with an increase in her target annual variable compensation from 55% to 65% and a maximum of 110% to 130% of her annual fixed compensation. This would meet the sought-after objective of changing the compensation policy for the Deputy Chief Executive Officer so as to establish a compensation structure that focuses more heavily on the Company's long-term performance, the total portion of which would increase from 70% to 74% of her maximum total compensation.

In accordance with the recommendations of the proxy advisory firms, the maximum annual variable compensation would remain below 150% of her fixed compensation and would represent a lower portion of her total variable compensation than that of her long-term variable compensation.

In addition, a comparative study carried out by AON TalentSolutions in November 2024 on the level of compensation of a panel of companies comparable to Mercialis, revealed that the target annual fixed + variable compensation of the Deputy Chief Executive Officer was 17.8% below the median and 20% below the average. Thus, the proposed change in compensation structure appears proportionate to the aforementioned market comparables. It would result in an 18.2% increase in her annual variable compensation (at a constant rate of achievement of performance criteria) for a total maximum increase of 11.76% in the event of the outperformance of all short- and long-term objectives, still significantly below the panel studied.

In addition, the variable compensation of the Deputy Chief Executive Officer would remain in line with the highest market standards (AFEP-MEDEF Code recommendation to make quantifiable criteria preponderant), being subject to the achievement of ambitious and measurable objectives with clearly-defined criteria. Given the variety of challenges, including the financial performance, social, climate and environmental issues facing the Company in fiscal year 2025, and in order to better preserve the confidentiality of policy changes, it is proposed that the objectives are broken down into specific quantitative criteria relating to the Company's main challenges in terms of financial and operational performance, and an aggregate quantitative criterion relating to strategic, social, climate and environmental issues, together with measurable and verifiable indicators.

The objectives selected reflect the main challenges facing the Company for the coming year:

		% fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (100% of the total variable compensation)	Growth in Net Recurrent Earnings	0%	15.0%	30.0%
	EBITDA margin - like-for-like basis	0%	15.0%	30.0%
	Total organic growth	0%	5.0%	10.0%
	Non-rebillable expenses (current scope - as a % of rental revenues)	0%	5.0%	10.0%
	Corporate Social Responsibility: achievement rate at the end of 2025 of the major objectives of the 4 aspects of the 2030 4 Fair Impacts strategy	0%	10.0%	20.0%
	Aggregate objective focused on strengthening risk management, refinancing, debt hedging, the associated trajectory of net financial expense, improved recovery, inter-department operational efficiency, operating costs of services	0%	15.0%	30.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION			65.0%	130.0%

For each objective and criterion, the minimum achievement threshold would be set (by the Board of Directors on the advice of the Appointments, Compensation and Governance Committee) at a level at least equal to or higher than the objectives that Mercialis has set itself for the fiscal year in question. The target threshold would be set in excess of these objectives and the maximum threshold far in excess of expectations. Variable compensation is calculated in a linear fashion between the minimum threshold and the maximum threshold.

If it is unable to take advantage of the exemption offered by Article L. 22-10-8, III of the French Commercial Code, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, may adjust the thresholds, objectives and targets in the event of changes in

accounting standards and methods. In addition, in the event of a material change in the Group's strategy or scope (in particular, following a merger or disposal, a change of control, the acquisition or the creation of a new significant business or the discontinuation of an existing significant business), the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will be able to use its discretion to adjust, upwards or downwards, one or more performance criteria-related parameters (weighting, trigger thresholds, objectives, targets, etc.) of the Deputy Chief Executive Officer's annual variable compensation, in order to ensure that the application of these criteria reflect both her performance and that of the Group.

In the event of the departure of the Deputy Chief Executive Officer, including in the event of death and except in the event of dismissal

for serious or gross misconduct, the variable compensation for the current year will be calculated on a prorata temporis basis of her presence as an executive corporate officer of Mercialis. The calculation of the variable compensation will then be based on the performance criteria assessed at the end of the year during which the Deputy Chief Executive Officer ceases to perform her duties.

In any event, and pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable component of compensation for fiscal year 2024, after determination of its amount based on the achievement of the objectives defined above, will be conditional on approval from the Company's Ordinary General Meeting to be held in 2025.

Long-term compensation

In order to associate the Deputy Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code, on the principle of bonus share plans.

Bonus shares may only be granted to executive corporate officers if the Company grants one of the following benefits to its employees and to at least 90% of employees in its subsidiaries:

- share purchase and/or subscription options;
- bonus share plans;
- the introduction of an incentive agreement or statutory profit-sharing agreement.

In order to comply with the recommendations of the proxy advisory firms, it is proposed that the amount awarded to Elizabeth Blaise now be expressed as a percentage of her annual fixed compensation, but with the removal of the capping mechanism. No compensatory effect could therefore occur between performance criteria.

For the reasons mentioned above in respect of her annual variable compensation, it is also proposed that for the Deputy Chief Executive Officer's long-term share-based variable compensation, the maximum allocation percentage be increased from that set in 2024. It would thus increase from a maximum of 130% to a maximum of 150% of her annual fixed compensation, i.e. a maximum amount of Euro 477,000 for the 2025 fiscal year, compared to Euro 413,400 for 2024, i.e. an increase of +15.4%. The target would remain set at 100% of the Deputy Chief Executive Officer's fixed annual compensation (Euro 418,000), this threshold remaining unchanged from 2024. After this change, the portion of the Deputy Chief Executive Officer's long-term conditional compensation in her total maximum compensation (39.5% of her maximum total compensation) would still remain higher (+5 pts) than that of her annual variable compensation (34.2% of her maximum total compensation) to promote alignment between compensation and long-term performance and not to encourage short-term risk-taking.

A comparative study carried out by AON in November 2024 on the level of compensation of comparable positions within a panel of companies⁽¹⁾ comparable to Mercialis, revealed that the total target annual average compensation (fixed + annual and long-term variable) of the Deputy Chief Executive Officer was 12.4% below the median and 18.5% below the average recorded within the sample of

equivalent positions. In this respect, the proposed change to the compensation structure, which would result in a maximum increase of 11.76% in the compensation received in the event of the maximum outperformance of all short- and long-term objectives, appears proportionate to market comparables.

All of the Deputy Chief Executive Officer's maximum variable compensation (annual variable compensation and long-term performance shares) would continue to be within the thresholds recommended by the proxy advisory firms, not exceeding 200% of the fixed salary and total variable compensation not exceeding 300% of the maximum fixed compensation.

Service and holding conditions

In accordance with the provisions of Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, the bonus shares awarded would only vest to the Deputy Chief Executive Officer at the end of a vesting period of 3 years, subject to continued service (as a corporate officer). At the end of this 3-year vesting period, the Deputy Chief Executive Officer will be required to keep 100% of her bonus shares for a period of at least 2 years after they are fully vested, and thereafter to hold 50% of them in registered form until the termination of her duties as corporate officer. The obligation to retain 50% of the shares acquired for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. The amount will be determined at the beginning of each year on the basis of the weighted average price of Mercialis shares for the previous fiscal year.

Furthermore, in accordance with the provisions of the final paragraph of Article 26.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make use of risk hedging transactions on shares held, awarded or vested until the end of the mandatory holding period.

In the event of the departure of the Deputy Chief Executive Officer, including in the event of death or incapacity and except in the event of dismissal for serious or gross misconduct, the right to the bonus shares that would have been awarded to her before the effective date of her departure would be maintained on a **prorata temporis** basis of her service as executive corporate officer of Mercialis during the vesting period, while remaining subject to the performance conditions of said plan. The performance conditions will then be calculated on the basis of the plan's performance criteria assessed at the end of the year during which the Deputy Chief Executive Officer ceases to perform her duties. In such a case, the Deputy Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

Performance conditions

The vesting of all shares would be subject to the following performance conditions, measured at the end of the 3-year period based on 4 criteria:

- initially, to measure the stock market performance of Mercialis shares against that of its market sector peers and to bring executives into line with their shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms with reference to a panel of sector companies. These companies are similar to Mercialis in terms of geographical location, size or activity. This panel is as follows:

(1) Panel selected by AON of French and international companies operating in the real estate sector including Alstria, Eurocommercial Pty, Frey SA, Great Portland Estates, Hammerson, Workspace Plc, Argon, IGD, NewRiver, Société de la Tour Eiffel and Wereldhave.

Peers constituting the index	ISIN	Country	Business segment	Geographical exposure
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain
Citycon OYJ	FI4000369947	Finland	Diversified shopping centers	Northern Europe
Deutsche EuroShop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czechia, Austria, Hungary
Eurocommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe
Merlin Property	ES0105025003	Spain	Shopping centers, offices, logistics centers	Spain, Portugal
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom
Retail Estates	BE03720340	Belgium	Diversified shopping centers	Benelux
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States
Vastned Retail N.V.	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium

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- it is proposed to add a criterion of average absolute stock market performance over 3 years between January 1, 2025 and December 31, 2027. This will make it possible to assess the profitability generated for Mercialis shareholders in terms of the stock market performance of the share and the dividends received;
- in addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of growth in Net Recurrent Earnings, measured as an annual average over 3 years between January 1, 2025 and December 31, 2027, in order to align executives' interests with those of the shareholders in terms of the Company's growth;
- lastly, with regard to the CSR policy, an objective to reduce the carbon intensity of the Mercialis portfolio is set, in order to ensure the Company's positive contribution to the fight against climate change. In accordance with the recommendations of the 2023 barometer on compensation by the IFA (French Institute of Directors), Chapter Zero France and Ethics & Boards on the climate in CEO compensation policies, this objective is aligned with the Company's new "Net Zero GHG 2050" carbon emissions roadmap which has been submitted to the SBTi for certification.

The relative weighting of each of these four awarding criteria and the associated performance conditions would be as follows:

- 20% of the total target allocation based on the absolute stock market criterion: absolute performance of the Mercialis share, including dividends (Total Shareholder Return ⁽¹⁾), measured between January 1, 2025 and December 31, 2027.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Mercialis' average annual TSR (Total Shareholder Return) over three years	Vesting % of total allocation by number of shares against fixed compensation
10.00%	0%
14.00%	20%
18.00%	30%

The multiplier moves in a linear fashion between the limits set above.

- 25% of the total target allocation based on the relative stock market criterion: relative performance of Mercialis shares, including dividends (TSR) compared to the performance of a specific panel of pre-determined comparable companies at January 1, 2025, measured between January 1, 2025 and December 31, 2027.

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Ranking of Mercialis three-year average annual TSR compared with the companies comprising the panel	Vesting % of total allocation by number of shares against fixed compensation
1 st place	37.50%
2 nd place	35.41%
3 rd place	33.33%
4 th place	31.25%
5 th place	29.16%
6 th place	27.08%
7 th place	25.00%
8 th to 14 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 13 companies comprising the panel as at January 1, 2025, plus Mercialis.

Should the panel of comparable companies no longer comprise these 13 companies at December 31, 2027, in particular, due to takeovers, mergers, bankruptcies or delistings occurring during the securities' vesting period, the assessment of Mercialis' ranking would be adjusted accordingly.

(1) The TSR, or Total Shareholder Return, corresponds to the rate of return on shares over the period and includes dividends received and capital gains realized. It will be calculated:
- using as an initial reference value the average share price for the 10 days preceding the start date of the period
- using as a final reference value the average share price for the 10 days preceding the end date of the period, inclusive
- by taking into account gross dividends whose payment date is between the start and end dates of the period.

04. CORPORATE GOVERNANCE

Compensation and benefits paid to directors and corporate officers

In particular, should the panel of comparable companies, including Mercialis, comprise an uneven number of companies, the 100% performance would correspond to the ranking immediately above the arithmetical average. If, for example, only 10 companies, i.e. a total of 11 companies including Mercialis, were still listed on the panel on December 31, 2027, the coefficient of 100% would correspond to 5th place. All the multipliers would therefore be readjusted in a linear fashion between the average ranking determined in this way (coefficient of 100%) and 1st place (coefficient of 150%).

- 25% of the total target allocation based on the financial criterion: Growth in Recurring Net Income measured as the 3-year annual average (CAGR) between January 1, 2025 and December 31, 2027:

Average annual three-year Growth in Recurring Net Income	Vesting % of total allocation by number of shares against fixed compensation
2.00%	0%
3.00%	25.00%
4.00%	37.50%

The multiplier moves in a linear fashion between the limits set above.

- 30% of the total allocation for the CSR criterion: reduction over 3 years of the carbon intensity per unit area in line with Mercialis' "Net Zero" 2050 roadmap, which has been submitted for SBTi certification (in kgCO₂eq/sq.m using the Whole Building Approach: maximum emissions of 12.99 kgCO₂eq/sq.m at the end of 2027, corresponding to a reduction in emissions of at least 48.11% compared to 2017 (reference year of the roadmap):

At the end of the 3-year period, the number of shares awarded on the basis of this performance criterion will be determined in accordance with the table below:

Three-year carbon intensity on the current scope of the portfolio using the Whole Building Approach (reduction vs. 2017 reference value of the roadmap)	Vesting % of total allocation by number of shares against fixed compensation
12.99 kgCO ₂ eq/sq.m (i.e. -48.11% vs. 2017)	0%
12.50 kgCO ₂ eq/sq.m (i.e. -50.06% vs. 2017)	30.00%
11.78 kgCO ₂ eq/sq.m (i.e. -52.92% vs. 2017)	45.00%

The multiplier moves in a linear fashion between the limits set above.

In the event of an exceptional event such as the impact of the Covid-19 epidemic, a change of control or significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, will have discretionary power in particular to reduce, eliminate or

postpone, for the absolute and relative TSR stock market criteria, the application of the financial and non-financial criteria (a maximum of 33.33% of long-term compensation criteria), if the calculation of the achievement rate of these criteria became difficult due to an exceptional event.

So-called "clawback" clause and penalties

In order to align compensation policies with best governance practices, in the event of serious misconduct or proven fraud (embezzlement, forgery in particular), during the vesting period, resulting in a significant adverse impact on the Group's results, the Company reserves the right, based on a substantiated decision by the Board of Directors, to bring action against the Deputy Chief Executive Officer by requesting repayment ("clawback"), within the limits of applicable law, of all or part of the annual variable compensation paid over the period in question.

In addition, in such a situation, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, may decide to cancel the Deputy Chief Executive Officer's rights to performance shares that have not yet vested (penalty).

Other compensation components

The Deputy Chief Executive Officer does not benefit from any additional pension plan. She participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the pension plan in force within the Company for all employees. She also benefits from senior executive unemployment insurance. In the event of the departure of the Deputy Chief Executive Officer, the benefit of the Company's health plan will be extended to the period covered by the senior executive unemployment insurance.

She does not receive a company car or any other benefit of any kind.

No severance allowance shall be paid to the Deputy Chief Executive Officer resulting from the termination of, or change in, her position.

However, in the event of termination of her duties, the Deputy Chief Executive Officer may receive compensation under a non-competition and non-solicitation clause. This compensation would be paid on a monthly basis equivalent to one-twelfth of 50% of the total annual compensation (fixed and variable) of Elizabeth Blaise, this total annual compensation being itself calculated as the average of the compensation package paid in respect of the two fiscal years prior to her departure. It would apply for a period not exceeding the time of his presence in the Company with a maximum duration of 2 years, it being specified that the Company may reduce the period of application of it or waive it.

This level is below recommendation 25.6 of the AFEP-MEDEF Code, which refers to a cap of 2 years' overall compensation including the annual fixed and variable components.

The payment of the non-competition compensation is excluded when the Deputy Chief Executive Officer exercises her right to retire. In any event, no non-competition indemnity may be paid beyond the age of 65.

4.2.3 Results of the votes on the resolutions relating to the compensation of corporate officers at the General Meeting of April 25, 2024

	Resolution	For		Against		Abstention	Not voted
		Votes	%	Votes	%	Votes	Votes
8	Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to compensation paid to corporate officers during or awarded in respect of the fiscal year ended on December 31, 2023	50,523,216	90.11%	5,543,552	9.89%	112,733	1,745
9	Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended on December 31, 2023 to Éric Le Gentil, Chairman of the Board of Directors	55,922,264	99.61%	221,104	0.39%	36,133	1,745
10	Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended on December 31, 2023 to Vincent Ravat, Chief Executive Officer	49,121,076	87.64%	6,927,731	12.36%	130,214	2,225
11	Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended on December 31, 2023 to Elizabeth Blaise, Deputy Chief Executive Officer	49,141,612	87.75%	6,858,965	12.25%	178,444	2,225
12	Approval of the compensation policy for directors	55,573,712	99.10%	506,776	0.90%	98,533	2,225
13	Approval of the compensation policy for Éric Le Gentil, Chairman of the Board of Directors	55,571,414	99.12%	495,496	0.88%	112,591	1,745
14	Approval of the compensation policy for Vincent Ravat, Chief Executive Officer	47,427,222	84.73%	8,547,033	15.27%	205,246	1,745
15	Approval of the compensation policy for Elizabeth Blaise, Deputy Chief Executive Officer	47,428,460	84.73%	8,546,627	15.27%	204,414	1,745

The abstention rate of shareholders represented at the 2024 General Meeting was very low (between 0% and 0.4%) for all of the 18 resolutions submitted to the vote. Similarly, the approval rate was very high (between 95.1% and nearly 100%) for 13 of the 18 resolutions. The approval rate was slightly lower (between 84.6% and 90.1%) for 5 resolutions relating to compensation. Mercialis conducts a sustained dialogue with its shareholders prior to the General Meeting in order to identify any issues that may raise

questions, via a proposal for direct dialogue by Senior Management and Financial Communication and via exchanges led by an external advisor with the various investor services involved in the voting process. In addition, the Company conducts the same dialogue with shareholders who have voted against certain resolutions following the General Meeting in order to improve its practices or their description.

Appendix: AFEP-MEDEF cross-reference table

Article number	Recommendations	Implementation by Mercialis	Comments
1	Duties of the Board of Directors		
1.1	Carrying out the duties assigned by law and acting, under all circumstances, in the Company's best interest	Yes	Art. 5 of the RP, p. 402
1.2	Setting strategic guidelines	Yes	Art. 5 of the RP, p. 402
1.3	Compliance with the main duties assigned by law	Yes	Art. 5 and 11.2.1 of the RP, p. 402 and p. 406 et seq.
1.4	Information on the Board of Directors	Yes	Art. 6 of the RP, p. 403
1.5	Review of opportunities and risks in line with directors' strategy and information	Yes	Art. 6 of the RP, p. 403
1.6	Oversight of the anti-corruption and influence-peddling system	Yes	Art. 5 of the RP, p. 402
1.7	Non-discrimination and diversity policy within ruling bodies	Yes	§ 4.1.1.2, A, p. 219 et seq. § 4.1.2.2 and § 4.1.2.3, p. 239 et seq.
1.8	Corporate governance report on the Board's activities	Yes	§ 4.1.4.2, p. 242 et seq.
1.9	Clarifications required incorporated in the Rules of Procedure	Yes	Art. 5, 6 and 8 of the RP, p. 402 et seq. § 4.1.2.1, p. 238
2	The Board of Directors: collegiate body		
2.1	Collegiate body mandated by all shareholders	Yes	§ 4.1.1, p. 218
2.2	Adaptation of the Board's composition and organization – Publication of Rules of Procedure	Yes	Last update: February 12, 2025 § 9.1.5, p. 400 et seq.
2.3	Limitation of the representation of specific interests	Yes	§ 4.1.1.2, A, p. 219 et seq.
2.4	Prevention of conflicts of interest in the event of a company controlled by a majority shareholder	Not applicable	No majority shareholder
3	Diversity of governance organization methods		
3.1	Choice between a one or two-tier structure	Yes	One-tier structure § 4.1, p. 218 § 4.1.2, p. 238
3.2	Governance organization methods	Yes	Separation of functions Appointment of a lead director deemed unnecessary by the Board of Directors
3.3	Resources and prerogatives of the lead director	Not applicable	No lead director
3.4	Information on the organization of management and control powers	Yes	§ 4.1, p. 218 § 4.1.2, p. 238
4	The Board and reporting to shareholders and the markets		
4.1	Rigorous financial reporting policy	Yes	§ 71.4, p. 342 et seq.
4.2	Fair reporting	Yes	§ 71.4, p. 342 et seq.
4.3	Relevance, balance and educational aspect of information	Yes	§ 71.4, p. 342 et seq. and Chap. 2, p. 80 et seq.
4.4	Shareholder relations on governance issues entrusted to the Chairman of the Board of Directors or the Lead Director	Yes	Art. 7 of the RP, p. 403
4.5	Reliable procedures to identify, control and assess commitments and risks	Yes	Chap. 5, p. 302 et seq.
4.6	Relevant information in this area for shareholders and investors	Yes	Off-balance sheet commitments: § 3.1.2 Note 23, p. 183 et seq. and Financial rating: § 1.2.5.5, p. 56 et seq.

Article number	Recommendations	Implementation by Mercialis	Comments
5	The Board of Directors and Corporate Social Responsibility		
5.1	Setting multi-year strategic guidelines in terms of Corporate Social Responsibility	Yes	§ 4.1.4.2, B, p. 243 and § 4.1.6, p. 250
5.2	Presentation to the Board of Directors of the methods for implementing the Corporate Social Responsibility strategy with an action plan and time frames within which these actions will be carried out	Yes	§ 4.1.4.2, B, p. 243 and § 4.1.6, p. 250
5.3	Definition of specific objectives with different time frames for the climate strategy	Yes	§ 4.1.4.2, B, p. 243 and § 4.1.6, p. 250
5.4	Presentation of the climate strategy to the Ordinary General Meeting at least every three years or in the event of a significant change	Yes	Presentation of the climate strategy as part of the 19 th resolution of the General Meeting of April 28, 2022, and before the vote on the resolutions at the General Meeting of April 27, 2023. The presentation of the climate strategy was on the agenda for the General Meeting of April 25, 2024, without a resolution submitted to a shareholder vote
6	The Board of Directors and the Shareholders' General Meeting		
6.1	Board of Directors appointed by the shareholders to which it reports on the performance of its duties	Yes	§ 4.1.1.2, p. 219 et seq.
6.2	Compliance with the holding and authority of the Shareholders' General Meeting	Yes	Chap. 8, p. 356 et seq.
6.3	Management of conflicts of interest in the event of large-scale transactions	Yes	§ 4.1.8 and 4.1.9, p. 252 et seq.
6.4	Consultation of shareholders on major transactions	Not applicable	No major transaction in progress
7	Composition of the Board of Directors: guiding principles		
7.1	Balance of the composition of the Board – Competence and ethics of the members	Yes	§ 4.1.1, p. 218 et seq.
7.2	Composition of the Board of Directors – Diversity policy	Yes	§ 4.1.1.2, p. 219 et seq.
8	Gender diversity policy within ruling bodies		
8.1	Gender equality targets for ruling bodies	Yes	§ 4.1.1.2, p. 219 et seq. § 4.1.2.3, p. 239
8.2	Description of ruling bodies' gender diversity policy	Yes	§ 4.1.2.3, p. 239 et seq.
9	Representation of employee shareholders and employees		
9.1	Board's application of the provisions of this Code to matters related to directors representing employees	Not applicable	No director representing employees, since Mercialis does not exceed legal thresholds
9.2	Voting by directors representing employees	Not applicable	No director representing employees, since Mercialis does not exceed legal thresholds
9.3	Equal rights and obligations of directors representing employees	Not applicable	No director representing employees, since Mercialis does not exceed legal thresholds
10	Independent directors		
10.1	Integrity, competence, proactivity, attendance and involvement of independent directors	Yes	§ 4.1.1.2, A, p. 219 et seq.
10.2	Definition of independent directors	Yes	§ 4.1.1.2, A, p. 219 et seq.
10.3	Percentage of independent directors	Yes	§ 4.1.1.2, A, p. 219 et seq.
10.4	Review of the independence of directors and reporting to shareholders	Yes	§ 4.1.1.2, A, p. 219 et seq.

Article number	Recommendations	Implementation by Mercialys	Comments
10.5	Director independence review criteria	Yes	§ 4.1.1.2, A, p. 219 et seq. The independence criterion relating to the material or non-material nature of the relationship with the Company was the subject of an annual special analysis by the Appointments, Compensation and Governance Committee for Élisabeth Cunin, Chairwoman of Kiabi, a tenant retailer of Mercialys
10.6	No variable compensation linked to Company performance for non-executive corporate officers	Yes	§ 4.2.2.2, p. 264 et seq.
10.7	Analysis of the independence of directors representing shareholders holding more than 10% of the share capital or voting rights	Not applicable	No shareholder holds more than 10% of the share capital or voting rights
11	Assessment of the Board of Directors		
11.1	Compliance with the principle of assessment by the Board of its ability to meet shareholder expectations	Yes	§ 4.1.1.1 and 4.1.1.2, p. 218 et seq. § 4.1.7, p. 250 et seq.
11.2	Compliance with the three objectives of the assessment	Yes	§ 4.1.7, p. 250 et seq. The assessments carried out in 2023 and 2024 met these 3 objectives
11.3	Compliance with methods of assessment	Yes	§ 4.1.7, p. 250 et seq.
12	Board meetings and committee meetings		
12.1	Publication of the number of meetings and attendance of directors	Yes	§ 4.1.1.2, A, p. 219 § 4.1.4.2, A, p. 242 et seq.
12.2	Frequency and appropriate length of meetings	Yes	§ 4.1.4.1, p. 240 et seq.
12.3	Meetings without the presence of executive corporate officers	Yes	Art. 17 of the RP, p. 407 et seq. § 4.1.4.2, B, p. 242 The directors meet at least once a year without the presence of the Chairman of the Board of Directors and Senior Management
12.4	Clear minutes of meetings	Yes	Art. 3 of the RP, p. 402
13	Access to information for directors		
13.1	Directors' right to information and duty of confidentiality included in the Rules of Procedure	Yes	Art. 6, 15 and 19 of the RP, p. 403, 407 and 408
13.2	Diligent transmission of useful information to directors, even between Board meetings	Yes	Art. 6 of the RP, p. 403
13.3	Director's duty to seek the information needed to perform related duties	Yes	Art. 15 of the RP, p. 407
13.4	Ability of directors to meet with the Company's key executives	Yes	Art. 6 of the RP, p. 403
14	Director training		
14.1	Benefit for all directors of training in the specifics of the company, its business lines, its sector and its CSR challenges	Yes	Art. 15 of the RP, p. 407
14.2	Reporting on members of the Audit Committee and their appointment, as well as on special features of company accounting, finance or operations	Yes	Art. 1.3 of the Audit, Risks and Sustainable Development Committee charter, available at: www.mercialys.com
14.3	Specific training for directors representing employees	Not applicable	No director representing employees, since Mercialys does not exceed legal thresholds
15	Directors' term of directorship		
15.1	Term of directorships	Yes	Art. 16 of the articles of association, p. 396 Art. 1 of the RP, p. 400

Article number	Recommendations	Implementation by Mercialis	Comments
15.2	Staggering of directorships	Yes	Art. 16 of the articles of association, p. 396 Art. 1 of the RP, p. 400
15.3	Information on the directors	Yes	§ 4.1.1.2, A, p. 219 et seq.
15.4	Grounds for the candidacy of a director submitted for appointment or reappointment	Yes	Annual General Meeting brochure
16	Board committees: general principles		
16.1	Existence and composition of committees	Yes	§ 4.1.1.2, A, p. 219 No cross-directorships
16.2	Scope of responsibility of committees	Yes	§ 4.1.5, p. 244 et seq.
16.3	Committee operating procedures and rules	Yes	Specialized Committee charters, available at: www.mercialis.com
17	Audit Committee		
17.1	Existence and composition	Yes	§ 4.1.1.2, A, p. 219
17.2	Powers	Yes	§ 4.1.5.1, p. 244 et seq.
17.3	Operating procedures	Yes	§ 4.1.5.1, p. 244 et seq. Audit, Risks and Sustainable Development Committee charter, available at: www.mercialis.com
18	The Appointments Committee		
18.1	Existence and composition	Yes	§ 4.1.1.2, A, p. 219 Mercialis has an Appointments, Compensation and Governance Committee
18.2	Powers	Yes	§ 4.1.2, A, p. 223 et seq. § 4.1.3, p. 240, § 4.1.5.2, p. 246
18.3	Operating procedures	Yes	§ 4.1.3, p. 240 § 4.1.5.2, p. 246 et seq. The Chairman of the Board of Directors is a member of the Appointments, Compensation and Governance Committee and is therefore involved in the process of selecting and appointing directors
19	The Compensation Committee		
19.1	Existence and composition	Yes	§ 4.1.1.2, A, p. 219 Mercialis has an Appointments, Compensation and Governance Committee
19.2	Powers	Yes	§ 4.1.5.2, p. 246 et seq.
19.3	Operating procedures	Yes	§ 4.1.5.2, p. 246 et seq.
20	The number of terms of office of executive corporate officers and directors		
20.1	Director involvement	Yes	Art. 18 of the RP, p. 408
20.2	Limit on the number of terms of office of the executive corporate officer	Yes	Art. 18 of the RP, p. 408 § 4.1.1.2, B, p. 226 The Chief Executive Officer does not hold any other office in a listed company outside the Group
20.3	Specific recommendations regarding non-executive corporate officers' terms of office	Yes	§ 4.1.1.2, B, p. 225 The Chairman does not hold any other office in a listed company outside the Group

Article number	Recommendations	Implementation by Mercialis	Comments
20.4	Restriction on the number of directorships	Yes	Art. 18 of the RP, p. 408 § 4.1.1.2, B, p. 225 et seq. According to the information submitted by the directors to the Company, none of them holds more than four other directorships in listed companies outside the Group, including foreign ones
20.5	Information submitted by the directors on the other directorships held	Yes	Art. 18 of the RP, p. 408 § 4.1.1.2, B, p. 225 et seq. According to the information submitted by the directors to the Company, none of them holds more than four other directorships in listed companies outside the Group, including foreign ones
21	Ethics for directors		
21	Fundamental obligations to be met by the directors	Yes	Art. 14 et seq. of the RP, p. 407 et seq.
22	Directors' compensation		
22.1	Attendance-based compensation	Yes	§ 4.2.1, p. 255 et seq.
22.2	Additional compensation possible, particularly in the event of attendance at, or Chairmanship of, specialized committees	Yes	§ 4.2.1, p. 255 et seq.
22.3	Adjustment of compensation to the level of responsibilities and time spent on the role	Yes	§ 4.2.1, p. 255 et seq.
22.4	Publication of compensation rules and individual amounts paid	Yes	§ 4.2.1, p. 255 et seq.
23	Termination of employment contract in the event of corporate office		
23.1	End of employment contract if an employee becomes an executive corporate officer	Yes	§ 4.2.2.2, B, 5, p. 265 § 4.2.2.4, B, 5, p. 274 § 4.2.2.6, B, 5, p. 286 None of Mercialis' executive corporate officers have an employment contract
23.2	Scope of the recommendation	Yes	§ 4.2.2.2, B, 5, p. 265 § 4.2.2.4, B, 5, p. 274 The Chairman of the Board of Directors and the Chief Executive Officer do not have an employment contract
23.3	Exclusions	Not applicable	

Article number	Recommendations	Implementation by Mercialis	Comments
24	Requirement for corporate officers to hold shares		
24	Definition of a minimum number of shares that corporate officers must hold in registered form until the end of their term of office	Yes	The Board of Directors has not set minimum shares for executive corporate officers. As part of the compensation policy for executive corporate officers, however, since 2017, long-term variable compensation has systematically been based on the allocation of bonus shares, subject to performance conditions. 100% of the vested shares must be held for a minimum of 2 years, then 50% until the termination of their duties as corporate officers. Under the 2024 and 2025 bonus share plans, the obligation to retain 50% of the shares vested for more than 2 years will continue to apply only until the total amount of shares held by executives represents 300% of their last gross annual fixed compensation. § 4.2.2.4, A, p. 266 § 4.2.2.5, B, p. 276 § 4.2.2.6, A, p. 280 § 4.2.2.7, B, p. 288
25	Conclusion of a non-competition agreement with a corporate officer		
25.1	Definition of non-competition agreement	Yes	§ 4.2.2.4, A, p. 269 § 4.2.2.5, B, p. 298 et seq. § 4.2.2.6, A, p. 281 et seq. § 4.2.2.7, B, p. 290
25.2	Board's authorization of the non-competition agreement and its publication	Yes	§ 4.2.2.4, A, p. 269 § 4.2.2.5, B, p. 278 et seq. § 4.2.2.6, A, p. 281 et seq. § 4.2.2.7, B, p. 290
25.3	Board's option to waive the implementation of this agreement upon the corporate officer's departure	Yes	§ 4.2.2.4, A, p. 269 § 4.2.2.6, A, p. 281 et seq.
25.4	Payment of non-competition compensation excluded when executives exercise their right to retire and when they are over the age of 65	Not applicable	§ 4.2.2.5, B, p. 278 § 4.2.2.7, B, p. 290
25.5	Prohibition of non-competition agreements signed at the time of the corporate officer's departure and not previously specified	Not applicable	Non-competition agreements are included in compensation policies
25.6	Amount of non-competition indemnity and terms of payment	Yes	§ 4.2.2.4, A, p. 269 § 4.2.2.6, A, p. 281 et seq.
26	Compensation of corporate officers		
26.1	Principles for determining the compensation of corporate officers and role of the Board of Directors	Yes	§ 4.2.2, p. 259 et seq.
26.2	Principles for determining the compensation of non-executive corporate officers	Yes	§ 4.2.2, p. 259 et seq.

Article number	Recommendations	Implementation by Mercialis	Comments
			§ 4.2.2.4 et seq. p. 266 et seq. The 31 st resolution that will be presented to the General Meeting of April 29, 2025, sets the total number of bonus shares that may be allocated over 26 months at 1.0% of the share capital, of which 0.5% to be allocated to executive corporate officers and 0.5% to employees. This equal distribution is due to the fact that, due to the nature of its business, Mercialis' total workforce has very few employees (155 staff on permanent contracts at the end of December 2024) and so complies with the principle of non-concentration of bonus share plans
26.3	Components of the compensation of executive corporate officers	Yes	
26.4	Allowance paid to executive corporate officers upon taking office	Not applicable	No recent executive changes
26.5	Severance pay in the event of the departure of executive corporate officers	Not applicable	§ 4.2.2.4, A, p. 269 § 4.2.2.5, B, p. 278 § 4.2.2.6, A, p. 281 § 4.2.2.7, B, p. 290 Not covered by the compensation policies
26.6	Supplementary pension plans for executive corporate officers	Not applicable	§ 4.2.2.4, A, p. 269 § 4.2.2.5, B, p. 278 § 4.2.2.6, A, p. 281 § 4.2.2.7, B, p. 290 Not covered by the compensation policies
27	Information on the compensation of corporate officers and policies for granting stock options and performance shares		
27.1	Constant flow of information	Yes	https://www.mercialis.com/investors/regulated-information/remuneration-of-senior-executives
27.2	Annual information – Content and presentation	Yes	§ 4.2, p. 255 et seq. Diligent use of AMF tables
28	Implementation of recommendations		
28.1	Application of the “Comply or explain” rule	Yes	Chap. 4 Appendix, p. 292 et seq.
28.2	Monitoring of recommendations from the High Committee of Corporate Governance	Not applicable	No comments received by Mercialis in 2024
29	Review of the Code		
29	Periodic review of the Code at AFEP and MEDEF's initiative	Not applicable	Compliance of Mercialis practices with the AFEP-MEDEF Code in its updated version of December 2022

Terminology: RP – Rules of Procedure of the Board of Directors.



44

shopping centers
in France



3.8 years

maturity of drawn debt



5.5x

Interest coverage ratio
(ICR)

05.

RISK FACTORS

5.1	Organization of internal control and risk management	302	5.2	Description and management of risks	309
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5.1 Organization of internal control and risk management

Mercialys' internal control and risk management systems presented in this chapter were developed in accordance with the reference framework set by the French Financial Markets Authority (AMF)⁽¹⁾. The main due diligence carried out before writing the paragraphs below involved circulating AMF questionnaires and internal questionnaires or conducting internal interviews to identify all the internal control and risk management systems.

These systems constitute an organizational framework that defines:

1. the stakeholders, roles and responsibilities;
2. a risk management process based on the identification, analysis and treatment of risks; and
3. the continuous oversight of these systems.

They are based on various aspects including:

- a specific organization that is dedicated to risk management through a Risk Prevention Committee;

- the internal distribution of procedures, documentation and operating guidelines identified as areas for improvement;
- permanent monitoring through risk assessments (depending on their occurrence and impact), with the associated risk maps updated on a regular basis.

These systems are an integral part of Mercialis' operational and strategic steering, and aim to protect the Company against several identified risk categories, ensuring that its development is effectively controlled and sustainable. They also aim to identify the emergence of new risks and to plan for their coverage and management. In the event of a crisis, such as the Covid-19 pandemic, which led to major national restrictions in 2020 and 2021, these systems make it possible to rapidly engage stakeholders and set up procedures that are key to ensuring business continuity.

5.1.1 Internal control and risk management bodies

Mercialys' internal control and risk management systems, as presented in this chapter, apply to Mercialis and its controlled subsidiaries as defined by the French Commercial Code, in accordance with the AMF reference framework (1). As indicated by the AMF, the systems are adapted to the specific characteristics of each company and the relationships between the parent company and its subsidiaries.

The internal control and risk management arrangements are built around three areas of expertise. The health crisis in 2020 and 2021 confirmed that they are working effectively and the levels of engagement.

The Audit, Risks and Sustainable Development Committee's role includes overseeing the risk mapping process, from financial to sustainability and compliance risks, in addition to the process for preparing financial information. In 2024, it was more specifically consulted with regard to environmental aspects, cybersecurity, and aspects related to financing and liquidity.

An Audit, Risks and Sustainable Development Committee Charter, available on the Company's website, presents its responsibilities.

Details on the composition, duties and accomplishments of the Audit, Risks and Sustainable Development Committee are presented in Chapter 4, § 4.1.5.1, p. 244 and 246.

5.1.1.1 Audit, Risks and Sustainable Development Committee (ARSDC)

Mercialys Senior Management defines, designs and implements internal control and risk management systems.

The Board of Directors is informed of the main characteristics of the systems put in place.

To this end, it is supported by the Audit, Risks and Sustainable Development Committee, which is responsible for checking that the Company has appropriate and structured resources in place to identify, detect and prevent risks, anomalies and irregularities in the management of its business. Among other duties, this Committee closely and regularly monitors the internal control and risk management systems.

Within this framework, it issues observations and recommendations on audit work, while carrying out or commissioning any analyses and reviews that it deems appropriate on any internal control and risk management issues.

5.1.1.2 Risks Prevention Committee (RPC)

A Risks Prevention Committee aims to meet the regulatory requirements for increased risk monitoring, but above all to secure the processes on which Mercialis relies, at both operational and financial levels, and thus offer increased visibility over the management of its risks.

The Risk Prevention Committee's main mission is to manage the risk control system through a mapping process. Its duties primarily include:

- identifying the risks facing Mercialis;
- identifying and assessing the procedures in place;
- implementing a plan to supplement or optimize the handling of risks, and lastly organizing controls to ensure the correct application of procedures.

(1) AMF – Risk management and internal control systems - Reference framework – July 22, 2010.

This Committee comprises the Chief Executive Officer, the Chief Financial Officer, the Director of Human Resources, the Head of Internal Control, the CSR Director and the Ethics and Compliance Director. Through its members, the Committee benefits from the expert position of each manager and can optimize its approach by having direct access to the departments.

The Committee reports directly to Senior Management, which further strengthens the link between Mercialis' strategy and risk management. This close link proved invaluable faced with the context of health and economic instability seen from 2020 to 2022. It facilitated ongoing dialogue between the stakeholders involved in the risk management process and Senior Management, helping decisions to be taken quickly for actions at the sites and initiatives at the head office.

The Risks Prevention Committee meets once a quarter and reports on its work to the Audit, Risks and Sustainable Development Committee at least once a year. The Executive Committee is also kept informed through regular presentations.

5.1.1.3 Employees

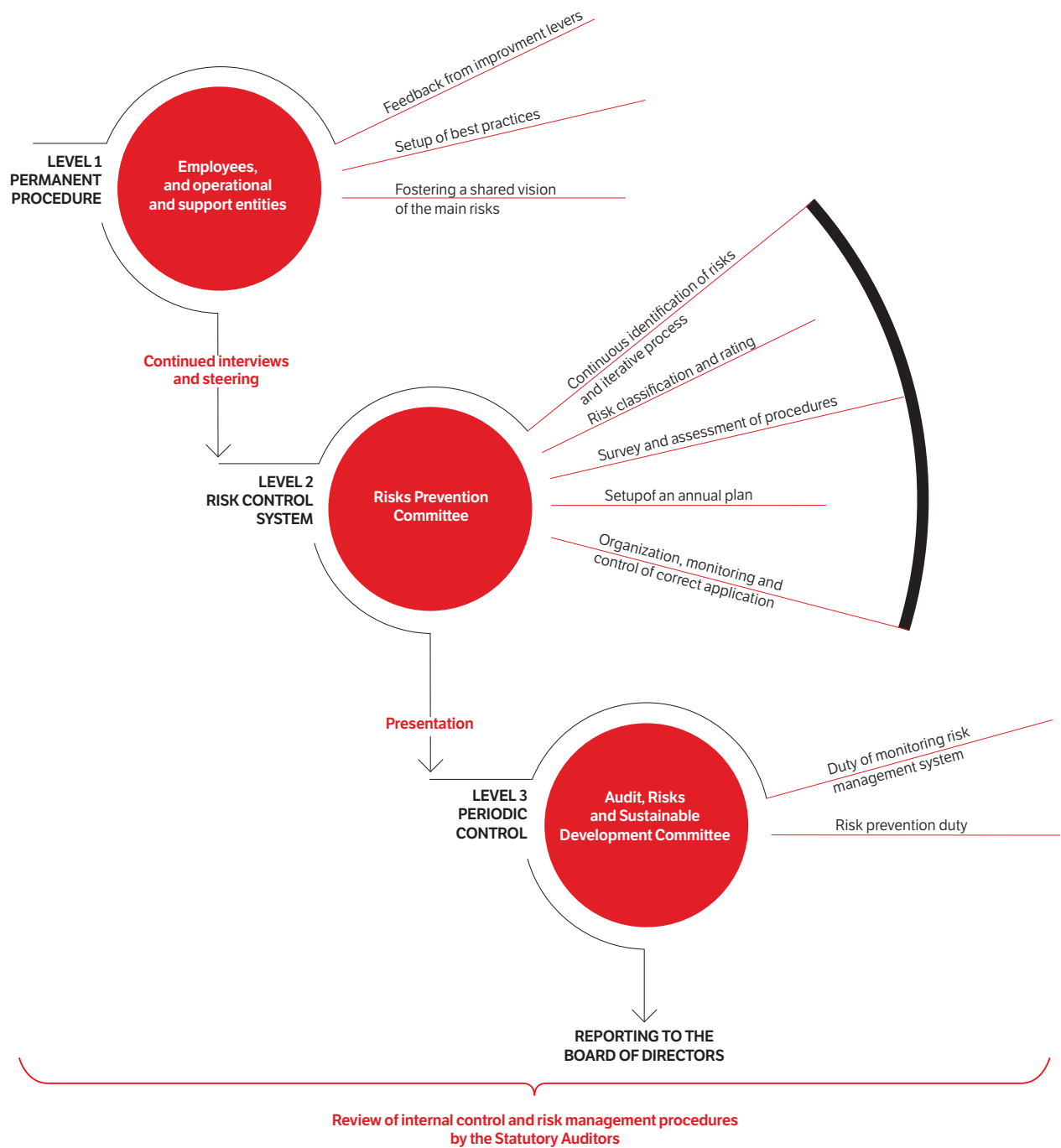
Employees and middle managers represent the third line in Mercialis' internal control and risk management system. They are tasked with making the internal control and risk management systems work by improving them continuously.

Mercialis therefore ensures that all of its employees are involved in the risk management process through ad hoc presentations, communication with the teams and the Risk Prevention Committee's operations. Department heads and/or employees hold regular meetings with Risk Prevention Committee members on specific topics.

Employees also perform a preventative role through frequent discussions with the Head of Internal Control regarding potential improvements or the identification of new risks.

05. RISK FACTORS

Organization of internal control and risk management



5.1.2 General principles of internal control and risk management

5.1.2.1 Approach and prerequisites

As highlighted by the AMF reference framework, the internal control and risk management systems cannot provide an absolute guarantee that the Company's objectives will be achieved. There are inherent limitations in any system, which may result from a wide range of both internal and external factors.

However, Mercialys works to minimize these risks and their effects. All its internal control and risk management systems are covered by a continuous improvement process aimed at ensuring the implementation of best practices within the Company.

Effective internal control and risk management require two prerequisites:

- setting and communicating the Company's strategic and financial objectives. Mercialys' strategic and financial objectives are set as part of a three-year plan, which is reviewed in full every year. The definition and updating of this plan are led by the Executive Committee and approved by Senior Management, which is responsible for the Company's key balances, particularly in terms of investments and the allocation of financial resources, as well as monitoring the implementation of the plan;

- rules of conduct and integrity that are known and respected by everyone. Mercialys has a Code of Ethics which includes the Anti-Corruption Code of Conduct, as well as a Responsible Lobbying Charter, which formalize its commitments in terms of professional ethics and the resulting guidelines for conduct to be followed by all its employees in their work. These charters are regularly expanded and updated. They are also signed on a regular basis by each employee to reconfirm their commitment to the respecting the principles of the Code of Ethics including the Anti-Corruption Code of Conduct. All employees also receive training each year on specific ethics-related topics. Each year, employees sign a declaration confirming that they are not subject to any conflicts of interest. Lastly, a frame of reference for managerial attitudes and behavior has also been set up and distributed to all the Company's managers to guide their actions each day.

05

5.1.2.2 Operating procedures for the internal control and risk management systems

	Internal control	Risk management
Definition	Internal control is a set of procedures defined and implemented under the Company's responsibility, helping it to maintain control over its activities, carry out its operations effectively and use its resources efficiently. It is also designed to take appropriate account of the Company's significant risks that could prevent it from achieving its objectives.	Mercialys' risk management system consists of a series of resources, behavioral practices, procedures and actions that are aligned with its characteristics. It is designed to enable managers to eliminate these risks or to keep them at an acceptable level for the Company.
Objectives	Internal control is specifically intended to ensure: • legal and regulatory compliance • application of the instructions and guidelines given by Senior Management • correct implementation of procedures, particularly those contributing to the safeguarding of assets • reliability of financial information.	Risk management is specifically intended to: • create and protect the Company's value, assets and reputation • secure the Company's decision-making and processes in order to help achieve its objectives; ensure that actions are aligned with the Company's values • engage employees around a shared vision of the main risks

	Internal control	Risk management
Organizational framework	Mercialys' internal control organization complies with the following principles: 1. Responsibility and powers: Each department head is responsible for organizing its structure and functions to ensure that the separation of duties is respected. This organizational structure is set out in an organization chart. Delegations of signatures are requested by the proxy where a signature cannot be obtained for a specific transaction. Delegations of powers are managed and monitored by Mercialys' Corporate Legal Department. 2. Human Resources management policy: Mercialys' Human Resources policy aims to ensure the effective allocation of its human capital through structured recruitment and career management policies in order to enable it to achieve the objectives set. The Company's Human Resources Department is responsible for its administrative management. Mercialys' training policies are focused in particular on management, personal development, Human Resources and the Company's business activities, as well as ethics and compliance. To ensure employee motivation, the Company's compensation policy is based on a market salary benchmark analysis and aligned with the principles of internal fairness (the equity ratios are shown in Chapter 4, § 4.2.2.1, p. 262). In addition, the compliance of managers' practices with the standards for managerial attitudes and behaviors is assessed each year as part of their annual performance review, and this is one of the criteria for determining the amount of their variable compensation. Lastly, a satisfaction survey on the workplace environment and organization of work within the Company is carried out on a regular basis. 3. Information systems: To ensure the security of its data, Mercialys manages its IT network through an internal IT Department and dedicated service providers. The management software packages and information systems in place are aligned with the Company's current and future objectives, and also make it possible to address issues such as physical security, the retention of archived information and the continuity of operations.	Mercialys' Executive Committee and managerial staff are responsible for identifying the specific risks involved with its activities and analyzing their level in order to manage them effectively. The Risk Prevention Committee meets on a quarterly basis. Its activities aim to reduce the risks identified by managers that could prevent the Company from achieving its objectives. In the event of a specific crisis situation, a dedicated unit is ready to intervene, comprising employees and members of Mercialys' Executive Committee and Senior Management team. This crisis unit was deployed several times in 2020 and 2021, confirming its responsiveness and the relevance of its structure. This crisis unit was also able to be effectively activated for incidents linked to social movements affecting certain retail sites in 2023. It was not used during the 2024 fiscal year. Mercialys has insurance policies covering property damage, third-party liability, professional and environmental liability, cyber, fraud and executive liability. The main risks insured and the corresponding amounts are presented in the table below.
	Internal distribution of information	Managers or functional or operational management are responsible for distributing information. Procedures that are specific to Mercialys' activities are distributed on a regular basis to the relevant employees. The timeframes for distributing information within Mercialys allow sufficient time for an effective and appropriate response. The production of reliable information on time is supported by information systems that are organized to make it possible to optimize the activities carried out by the stakeholders concerned.
	Monitoring	Internal control and risk management are monitored under the authority of Senior Management and overseen by several bodies. Senior Management is regularly informed of potential failings in the internal control and risk management system, and its suitability for activities. It ensures that the necessary corrective measures are taken. The Deputy Chief Executive Officer, supported by members of the Finance Department, the Legal Department and the CSR Department, is responsible for monitoring Mercialys' internal control and risk management system. Managers perform a supervision role on a day-to-day basis to monitor the effective implementation of the internal control and risk management system. They are responsible for implementing corrective action plans and reporting any major failings to the Executive Committee and Senior Management, where applicable.

Main risks insured and amounts covered

The levels of insurance cover vary and are adjusted to take into account the loss ratio, insurance market constraints or changes in Mercialys' risks. On the date of this Universal Registration Document, no major and/or significant claims had been recorded that were likely to change the current terms of insurance cover and the amounts of insurance premiums and/or the continuation of self-insurance.

Property damage and/or operating loss insurance

The risks covered include property damage and/or operating losses due to fire, explosion, malicious act, collapse, natural event, natural disaster, political "violence" or rental liability within the limits negotiated on the insurance markets.

Main risks and maximum amounts insured (in millions of euros)

Fire, explosion, lightning (direct damage and subsequent operating losses)	115
36-month compensation period for loss of rental income or loss of use and 24 months for operating losses	
Building collapse	115
Social unrest, riots	115
Terrorist attacks/Acts of terrorism	115
Natural disasters and events (wind or hail limit of Euro 10 million for sites on Reunion Island)	115
Flooding excluding natural disasters and ground movements (limit of Euro 10 million for sites on Reunion Island for ground movements)	30
Neighbor/third-party claims	20
Tenant/occupant claims	115
Loss of rental income/Loss of use	115

Third-party liability

This mainly covers personal injury, property damage and/or financial losses caused to third parties through negligence, errors or omissions in services provided by Mercialys or in the operation of its business, subject to a maximum limit of Euro 20 million per claim per year. A specific insurance policy also covers environmental risks for a maximum of Euro 10 million.

Building insurance

This covers the risks that Mercialys could be exposed to as a project manager, in accordance with the regulations and legal requirements for insurance.

The cover limits are consistent with construction industry practices and insurance requirements.

Cyber and fraud insurance

These insurance policies are now split and cover, respectively:

- for the cyber policy: specific risks of an IT nature or origin, including malicious acts by third parties and data loss for up to Euro 3 million;
- for the fraud policy: the fraud risks that Mercialys could be exposed to, up to Euro 3 million.

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5.1.3 Specific aspects of internal control relating to the accounting and financial information

The accounting and financial internal control arrangements are designed to ensure:

- compliance of the accounting and financial information published with the rules applicable;
- application of the instructions and policies set out by Senior Management regarding this information;
- reliability of the information distributed and used in-house for oversight or control purposes, whenever this information is used to produce the accounting and financial information published;
- reliability of the financial statements published and other information provided to the market;
- preservation of assets;
- prevention and detection of accounting and financial irregularities and fraud, insofar as possible.

The scope for accounting and financial internal control, as presented below, comprises the parent company Mercialys SA and the companies included in its consolidated accounts.

5.1.3.1 Process for overseeing the accounting and financial organization

General organization

Mercialys' Administrative and Financial Department oversees the accounting activity and the preparation and control of the financial statements published, using accounting, cash management and consolidation information systems developed in line with the Company's activity and specific needs.

The Audit, Risks and Sustainable Development Committee examines the annual and half-year financial statements and reviews the Statutory Auditors' conclusions on their work. It issues an opinion on the draft financial statements to the Board of Directors, which then approves these financial statements.

Application and control of accounting and tax rules

The arrangements put in place aim to ensure that the standards applied correspond to the regulations in force and are accessible for everyone involved in the process to prepare accounting and financial data.

Since this date, the Company has drawn on internal expertise and external advisors to ensure the correct application of accounting regulations.

The impact of these changes on the financial statements and their production and presentation is analyzed with Mercialys' Statutory Auditors.

In terms of taxation, analyses are performed on the tax position and at the time of specific transactions. These analyses are conducted by Mercialys with support from specialist external advisors. An external advisor carries out an annual tax review, as well as work to monitor emerging developments in terms of legislation, legal precedents and regulations.

5.1.3.2 Processes supporting the preparation of the accounting and financial information published

Identification of the risks affecting the preparation of the accounting and financial information published

Mercialys' Administration and Finance Department is responsible for identifying risks affecting the preparation of the accounting and financial information published, and overseeing outsourced activities if applicable. It applies the principle for the separation of duties in the corresponding processes and positions the control activities in accordance with the level of risk.

Control activities aimed at ensuring the reliability of the accounting and financial information published

Processes for the preparation and consolidation of accounting and financial information

The processes for producing accounting information and approving the financial statements are organized to ensure the quality of the accounting and financial information published. In addition, to produce information within short timeframes, early closing procedures are used with a view to securing the reliability of the information.

The IT system is reviewed on a yearly basis by the Statutory Auditors, as part of their audit, focusing in particular on the production of Mercialys' accounting and financial information.

In accordance with legal requirements, Mercialys has two Statutory Auditors, whose appointments were renewed in 2022. As part of their mission, they ensure that the annual financial statements are accurate, comply with accounting rules and principles, and give a true and fair view of the results of operations for the past accounting period, as well as the Company's financial position, assets and liabilities at year-end.

Mercialys Administration and Finance Department is in charge of liaising with the external auditors. The Company's Statutory Auditors are appointed by way of a process that is initiated and controlled by the Audit, Risks and Sustainable Development Committee, in line with the recommendations from the AFEP-MEDEF Corporate Governance Code for listed companies, and European regulations (Regulation (EU) 537/2014 and Directive 2014/56), transposed into French law by the Order of March 17, 2016 and applicable since June 17, 2016.

Process for the management of external financial information

Mercialys' financial disclosures are based on compliance with the procedures set by the AMF, including the principle of equal treatment for shareholders. They aim to provide a clear view of the Company's strategy, business model and performance by distributing accurate, reliable and truthful information to the financial community.

More specifically, Mercialys adheres to the EPRA⁽¹⁾ definition of operational, financial and sustainability performance indicators, aligning itself with industry best practices and contributing to the comparability of results between the sector's various operators.

The latest version of the EPRA Best Practices Recommendations Guidelines can be found here: <https://www.epra.com/finance/financial-reporting/guidelines>.

The EPRA Sustainability Best Practices Recommendations Guidelines can be consulted at: <https://www.epra.com/sustainability/sustainability-reporting/guidelines>.

Financial information is disclosed to the parties concerned in various ways, including:

- the Universal Registration Document;
- the half-year financial report;
- the press releases on the Company's half-year and full-year results;
- the financial information meetings and conference calls (presentation of the half-year and full-year results);
- the press releases on business for the first and third quarters;
- the Annual General Meeting;
- relations with financial analysts, investors and the financial and general press through a Communications and Investor Relations Department.

Mercialys' compliance with best practices and transparent financial and sustainability reporting have been recognized for several years by EPRA, as well as by real estate industry organizations, such as the Transparency Awards.

(1) EPRA: European Public Real Estate Association.

5.2 Description and management of risks

5.2.1 Identification and classification of risks

On a recurring basis, Mercialys reviews the main risks that could have a material impact on its business activities, financial position or results. Risk management is integrated into the Company's decision-making and operational processes and feeds into the deployment of its strategy.

The Risk Prevention Committee identifies these risks through interviews with each Company department, with employees and with service providers. The mapping prepared on this basis is presented to and approved by the Audit, Risks and Sustainable Development Committee, which ensures that all the risks are covered, monitored and managed.

The risk mapping is reviewed annually. It may be modified according to the action plans put in place or the identification of new risks. This iterative process makes it possible to integrate risks related to actual or potential changes, whether operational, regulatory or linked to developments on the retail real estate market.

Although Mercialys is not subject to certain provisions of the so-called "Sapin 2" Law⁽¹⁾, the Company applies a determined approach to controlling the risks governed by this law. Mercialys deals with the risk of corruption in terms of not only compliance with the ethical rules that the Company wants all employees to respect, but also as an operational and financial hazard. As such, the Company conducts continuous checks and dialogue with its various departments.

The challenge is to not only deal with significant financial risks, but also the behaviors to be avoided. The scope of controls carried out to prevent corruption concerns the activities managed by Mercialys on its own behalf, the activities subcontracted by Mercialys, as well as the activities managed by Mercialys on behalf of its partners. The aspects of passive and active corruption are addressed by the control procedures put in place.

It should be noted that the risk factors addressed in this chapter are not exhaustive and cannot exclude other risks, whether they are potential unidentified risks or emerging / identified risks that are evolving, and / or whose the occurrence is not expected at the date of filing of this Universal Registration Document, which are likely to have a material adverse impact on the Group, its activities, its financial position and / or its results, the listing of its shares or bonds, or its objectives.

5.2.1.1 Risk categories

Mercialys' Risks Prevention Committee has identified 49 risks, which it has broken down into categories in accordance with ESMA⁽²⁾ guidelines. The breakdown between the eight categories retained is presented in the following table, while noting that Mercialys does not use any subcategories.

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	Number of risks
Risks related to the sector	3
Risks related to business activities	10
Risks related to the financial position	2
Risks related to internal control	16
Legal and regulatory risks	7
Governance risks	5
Environmental, social and societal risks	6
Risks related to financial operations underway	0

5.2.1.2 Risk rating and prioritization

To ensure the pragmatic management and monitoring of its risks, Mercialys has rated them based on their priority. This prioritization system is based on a rating that includes the two dimensions from the risk mapping matrix, i.e. the risk's impact and its probability of occurrence.

Mercialys reassesses the relevance of these ratings each year, incorporating the following factors in addition to the findings from the dedicated tests:

- the macroeconomic, operational, financial and regulatory environment;
- risks related to information systems; or
- inflation and interest rates.

⁽¹⁾ Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy.

⁽²⁾ ESMA: European Securities and Markets Authority. ESMA31-62-1293 "Guidelines on Risk Factors under the Prospectus Regulation".

05. RISK FACTORS

Description and management of risks

Impact

This measures the potential impact of a risk for the Company if it were to occur. When it can be quantified, the impact is expressed as a percentage of net recurrent earnings (NRE)⁽¹⁾ or the Net Asset Value (NAV). When it cannot be quantified, it is assessed based on Mercialys' ability to continue rolling out its strategy and operations or in terms of reputational consequences. The impact is split into three levels: low, moderate and high.

Note that the assessment of the Company's environmental, social and societal risks is based on their materiality, after consulting with internal and external stakeholders, in line with the strategic CSR approach. The assessment of Mercialys' other risks is based on internal stakeholders. To ensure consistency between these two methodologies, the Risk Prevention Committee rates the impact of environmental, social and societal risks on the basis of their reputational consequences. The level of rating is derived directly from their positioning within the Company's materiality matrix.

	Low	Moderate	High
Change in NRE	Less than 1% of NRE	From 1% to 5% of NRE	More than 5% of NRE
Change in NAV	Less than 1% of NAV	From 1% to 5% of NAV	More than 5% of NAV
Implementation of the strategy and continuity of operations	Minor obstacles to the deployment of the strategy and operations	Moderate obstacles to the deployment of the strategy and operations	Major obstacles to the deployment of the strategy and operations
Reputation	No media impact or impact with a limited number of stakeholders	Local media impact or impact with certain stakeholders	National media impact or impact with a high number of stakeholders

Probability

The probability is defined as the possibility of a risk occurring, at least once, over different timeframes. In other words, it assesses the plausibility of an event involving a risk occurring. The probability is split into three levels: unlikely, possible and probable.

	Possible	Improbable	Probable
Probability of at least one occurrence of the risk	Over a timeframe of 4 to 5 years	Over a timeframe of 2 to 3 years	Over a timeframe of 1 year

The **priority risks** are those with:

- a "high" impact with a "probable" probability;
- a "high" impact with a "possible" probability;
- a "moderate" impact with a "probable" probability.

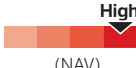
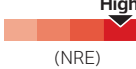
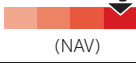
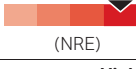
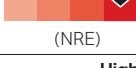


(1) Net Recurrent Earnings: net income attributable to owners of the parent before amortization, gains or losses on disposals net of associated fees, any asset impairment and other non-recurring effects.

5.2.2 Summary of priority risks

Mercialys rates net risks. This means that it assesses the impact and probability of its gross risks after potential mitigation arrangements and measures being put in place (insurance, hedging, controls and procedures, policies, diversification, etc.).

Of the 49 risks identified by Mercialys, 9 of them, belonging to 5 categories, are classified as priorities.

Category	Risk	Impact	Probability	Trend
Risks related to the sector	Risk related to the capitalization rate, the portfolio value and the liquidity of real estate assets on the market	 High (NAV)		→
	Risk related to competition on the physical retail segment	 High (NRE)		→
	Risk related to new forms of consumption	 High (NRE)		→
Risks related to business activities	Risk related to retailer arbitrage and reletting	 High (NRE)		→
	Risk related to the safety and security of operations and a deterioration in the portfolio	 High (reputation)		→
	Risk related to acquisitions and construction operations	 High (NAV)		→
Risks related to internal control	Risk related to malicious intrusions and equipment or software failures	 High (NRE)		↗
Legal and regulatory risks	Risk related to the REIT regime and tax compliance	 High (NRE)		↗
Risks related to the financial position	Risk related to interest rates, the cost of debt, liquidity and financing	 High (NRE)		↗

Trend: ↗ Upward → Stable ↘ Downward.

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5.2.2.1 Risks related to the sector

Risk related to the capitalization rate, the portfolio value and the liquidity of real estate assets on the market

Impact  High Probability  Trend →

Description of the risk

The capitalization rate is a key element for calculating the appraisal value of the assets held by Mercialys. It is determined based on the rate considered to be risk-free (i.e. the interest rate paid by the French state on its borrowings) and the risk premiums associated with the real estate investment concerned. As part of their twice-yearly valuation campaigns, in accordance with AMF recommendations, the independent real estate appraisers responsible for valuing the Company's portfolio also base their valuations on the rates seen for recent real estate transactions on the physical retail real estate market.

The appraisal value of Mercialys' portfolio may therefore be positively/negatively impacted through the capitalization rate:

- by a significant decrease/increase in rates deemed risk-free or risk premiums;
- by the recognition of more favorable/more unfavorable rates in the context of physical real estate market transactions.

Appraisers' risk premium adjustments may also reflect changes in their perception of the sustainability of asset rental flows, based on their assumptions regarding changes in rental income, vacancy rates or even site investment costs.

The appraisal value is taken into account when calculating the Company's Net Asset Value (NAV) and loan to value (LTV). A significant deterioration in Mercialys' portfolio value would likely have an unfavorable impact on its stock price, as well as potentially on its financial rating and the appraisal of its risk profile by finance market operators and, ultimately, on the cost of its debt.

Risk management and coverage

The factors that drive up capitalization rates are linked primarily to changes in central banks' monetary policies and trends for physical real estate investments. Mercialys anticipates the potential impacts of monetary policies: it provides regular updates for Senior Management and performs simulations to assess how interest rate changes will impact the value of its portfolio. It also closely monitors real estate transactions on the market. The portfolio value's sensitivity is regularly updated, factoring in a decrease/increase in the capitalization rate and an increase/decrease in the appraised net rental income based on a wide scale.

05. RISK FACTORS

Description and management of risks

The risk of a deterioration in the appraisal value, through unfavorable changes in the underlying assumptions, is therefore regularly tracked thanks to the monitoring methods applied and their frequency. In addition, all the assets in Mercialys' portfolio are valued by independent appraisers every six months (quarterly for the valuation of assets owned with partners or co-investors), which makes it possible to regularly adjust its value if required.

This risk is managed through the arbitrages that Mercialys carries out on a continuous basis on its portfolio of assets, in line with its market vision. The Company's arbitrage strategy is based on the disposal of assets that have reached maturity or are potentially becoming commercially vulnerable, and investing in its leading assets in order to consolidate their dominance in their catchment areas and strengthen their valuations. In line with this approach, the Company has drastically reduced the size of its portfolio over recent years, from 93 shopping centers at the end of 2010 to 46 at the end of 2024. Since 2020, it has also strengthened its specialist acquisitions and arbitrage team, by putting the Company's former

Head of Asset Management in charge of it, highlighting the strategic and central nature of these areas.

Mercialys' portfolio is valued at Euro 2,583.7 million excluding transfer taxes at end-December 2024, compared with Euro 2,700.0 million at end-June 2024 and Euro 2,692.3 million at end-December 2023. The portfolio value excluding transfer taxes is therefore down 4.0% over 12 months but up 1.1% on a like-for-like basis, and down 4.3% over 6 months (+ 0.7% like-for-like). The average appraisal capitalization rate was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at December 31, 2023.

Due to the strong correlation between the average yield rate and the capitalization rate in the appraisers' model, the sensitivity test based on changes in the average yield rate also shows the sensitivity to changes in the capitalization rate. Based on the annual appraised potential net rental income of Euro 183.6 million and the average capitalization rate of 7.11% recorded at end-December 2024, the sensitivity analysis is as follows:

Sensitivity criteria	Impact on the appraisal value excluding transfer taxes (€M)
- 0.5% decrease in the capitalization rate	+ 195.5
+ 10% increase in rents	+ 258.3
+ 0.5% increase in the capitalization rate	(169.8)
- 10% decrease in rents	(258.4)

Risk trend: stable

This risk is of major structural importance for Mercialys. Regularly selling some of its assets to reinvest part of the capital generated in its portfolio of value-enhancing projects enables it to maintain the commercial quality of its portfolio and protect its value. Asset liquidity is also needed to cover debt repayment deadlines if the financing markets slow down or stop functioning.

The slowdown in physical retail real estate market transactions observed since 2018 has an overall impact on real estate companies' ability to quickly and easily sell their assets. A trend increase in capitalization rates was noted at Mercialys between 2018 and 2023, with a relatively moderate negative impact on the appraisal value of its portfolio between 2018 and 2022, and more substantial in 2023, despite the excellent performance of target rental income, in particular through the indexation mechanism. In 2024, capitalization rates stabilized overall, which, together with higher organic growth in rental income, led to a rebound in the valuation of the portfolio on a like-for-like basis. It should be noted that the appraisers adjusted their risk premiums in 2023 to take into account a risk that was deemed higher for rental revenues linked to the Casino group. This risk factor could change positively in the future given the disposals of hypermarket operations to other operators, concluded in 2023 and 2024 by the Casino group, it now being the tenant of only two hypermarkets owned by Mercialys (51%-owned) at the end of 2024 and one store under the Monoprix brand. Moreover, Mercialys has demonstrated the liquidity of its assets, on a basis at least in line with its appraisal values in the last few years, including 2020 and 2021, which were marked by the health crisis, as well as the 4th quarter of 2022 despite the increase in rates observed over the second half of the year. The arbitrage policy was also dynamic in 2024.

The real estate appraisers value Mercialys' portfolio on a half-yearly basis (excluding sites owned with investors, which are valued every quarter).

While the risk-free rate (10-year OAT) remained broadly stable between the end of 2022 and the end of 2024, the short-term rates impacting the financing of real estate investors decreased significantly during this period, helping to moderate the yield rate demanded by investors - this could lead to a compression of the capitalization rates used by appraisers, unlike the effect observed in 2023. As a result, the trend for the risk related to the capitalization rate, the portfolio value and the liquidity of real estate assets on the market is considered to be stable.

Risk related to competition on the physical retail segment

Impact  Probability  Trend 

Description of the risk

Mercialys, through its activity operating shopping centers, captures part of consumer spending in the catchment areas of the cities where it is present. The level of footfall at its sites is a key indicator with a positive or negative impact on the Company's economic and financial performance.

Extension, redevelopment or greenfield construction projects, on different scales, that may be launched in the medium term could have a potentially significant adverse impact on footfall for Mercialys' shopping centers, especially if these projects are located in major catchment areas for the Company. Particularly strong competition from companies already operating in these catchment areas, aiming to attract the retailers that stand out the most, could also make Mercialys' sites less attractive.

A decrease in shopping center footfall levels would translate into a drop in retailer revenue and profitability, leading to pressure on the rents invoiced by the Company.

Risk management and coverage

Mercialys manages this risk through two key pillars:

- a regular asset rotation policy: sales may concern sites that are considered to be located in retail areas that are more sensitive to an increase in competition. The Company is therefore gradually focusing its positioning on key areas in cities with demographic and purchasing power trends that are higher than the national average;
- a commercial strategy aiming to further strengthen the attractive positioning of its sites through: (i) medium-sized stores set up to generate additional traffic supporting the entire shopping center, (ii) a retail mix that is adapted to each catchment area, and (iii) the rollout of new shopping center uses (coworking, medical centers), with a view to embedding them more effectively within their communities, (iv) the rollout of services for retailers and consumers (particularly first- and last-mile logistics services).

Through these measures, Mercialis was able to ensure sustained growth in footfall at its shopping centers between 2014 and 2019, significantly outperforming the national index published by the French regional retail federation (*Fédération des Acteurs du Commerce dans les Territoires*, FACT). This positive footfall trend has been reflected in the sales trends for retailers present at the Company's sites.

The resilience of Mercialis' sites, focused on satisfying essential needs at affordable prices for as many people as possible, was also demonstrated during 2020 and 2021, which were marked by the health crisis. This is illustrated by the footfall at Mercialis sites during the open periods in 2021, which came to 86% of the normalized level from 2019, despite major operational constraints linked to the health crisis (including curfews and health pass requirements). In 2024, footfall at Mercialis' shopping centers increased by 2.7%, representing outperformance of + 150 bps compared to the national Quantaflow index, which increased by 1.2%. This excellent trend incorporates the disruptive factors affecting footfall during the first half of 2024 (attrition of supply to the hypermarkets operated by Casino prior to the sale of business assets, organization of liquidation sales and then 2-3 week closure of the hypermarkets), followed by sustained attendance in the second half of the year, with the opening of hypermarkets under their new brands being praised by visitors. This momentum is also reflected in the revenues of tenant retailers, which increased by 2.1% in 2024, representing significant outperformance of + 80 bps compared to the national FACT index which rose by 1.3%.

Risk trend: stable

While real estate projects may have affected footfall trends at certain Mercialis sites on a localized basis, the Company has never observed any widespread increase in competition in terms of physical retail real estate across its portfolio. Moreover, following a moratorium on the construction of new retail space introduced by the French government in 2020, Law no. 2021-1104 of August 22, 2021 ("Climate and Resilience Act") sets out:

- the integration of measures to combat the proliferation of artificial ground cover in the principles defined by Article L. 101-2 of the French urban planning code (Code de l'urbanisme); and
- the introduction of a target for "net zero artificialization" over time.

The restrictions concerning the creation of new retail space at greenfield sites is expected to contribute to the sustainability of existing sites.

The resilience of the level of activity at Mercialis sites in 2020 and 2021, despite the health crisis, and the upturn in retailer sales in 2022 and 2023, exceeding their 2019 levels, once again prove the relevance of its competitive positioning. The fact that the shopping centers are leaders in their catchment areas means that they have relatively little exposure to retailers' rationalization of physical stores. Mercialis' current financial vacancy rate was effectively under control at end-2024, representing 2.9%, stable compared with end-2023. It also illustrates the strong positions of Mercialis' sites in their catchment areas.

The risk related to physical retail competition is therefore considered to be stable.

Risk related to new forms of consumption

Impact  **High** Probability  Trend →

Description of the risk

The breakdown of Mercialis' rents by business sector shows a high level of diversification. However, at December 31, 2024, only one business sector accounts for more than 20% of contractual rental income on an annualized basis – personal items:

	12/31/2024	12/31/2023
Restaurants and catering	8.9%	8.6%
Health and beauty	14.7%	13.0%
Culture, gifts and sports	19.0%	17.9%
Personal items	29.2%	28.9%
Household equipment	7.7%	7.7%
Food-anchored tenants	17.3%	20.9%
Services	3.2%	3.0%
TOTAL	100.0%	100.0%

The risk associated with new forms of consumption is primarily reflected in the following elements:

- a structural contraction in revenues for the personal items sector from 2008 to 2019, compounded by the Covid-19 epidemic. While 2023 was marked by investments and receiverships or court-ordered liquidations of French textile brands,

demonstrating the fragility of this segment, sales nevertheless stabilized in 2023 and 2024 according to the *Institut Français de la Mode*;

- a paradigm shift in consumption affecting large retailers, with:
 1. a model still dominated to a great extent by hypermarkets nationwide in the food segment,

2. in the non-food segment, a downwards trend for non-food products as a percentage of total hypermarket revenues;
- strong growth in e-commerce revenues resulting from the health crisis, with this segment seeing its market share climb from 9% in 2019 to 12% in 2021. However, while the online channel is still widely used by consumers, supplementing physical retail, its penetration rate fell sharply between 2022 and 2024. The share of e-commerce within the French retail sector recorded a significant drop in 2022 and 2023 to 10%. In 2024, after two years of decline, e-commerce product sales rebounded by + 12.5% in the third quarter⁽¹⁾.

The two main factors behind a downturn in consumption may affect the profitability of textiles or food retailers, resulting in pressure on Mercialis' rents or even contributing over time to an increase in its vacancy rate.

The growth of e-commerce may have an impact on the financial statements of "physical" retailers. They must make significant investments in:

- logistics;
- IT, to develop their online distribution and improve their inventory management; and
- marketing for online referencing.

Risk management and coverage

Mercialis is planning ahead to anticipate the risk related to new forms of consumption through:

- the projects carried out since 2015 to reduce the size of sections in hypermarkets, partly those focused on non-food products, coordinating this with the food operator. These projects have helped realign the hypermarkets around food products and more relevant sizes, while providing the shopping centers with access to additional space, making it possible to welcome a number of specialist retailers, restaurants, etc., helping drive growth in footfall at these sites;
- the constant adaptation of its retail mix, continuing to target:
 - a well-diversified portfolio across different sectors,
 - the identification of the most relevant retailers in each sector, particularly in terms of their price positioning;
- the development of customer knowledge, through marketing tools made available to retailers, enabling them to customize offers and provide information that is tailored to their consumption profile, with a view to building loyalty and increasing sales;
- the ramping up of its digital solution through a proprietary ecosystem comprising a marketplace (Le Shop) and first-mile and last-mile logistics services (Le Shop). This digital solution, supporting convergence between physical and digital retail, had been rolled out in 20 centers by end-2023 and is built around three core solutions:
 1. a web and mobile marketplace enabling retailers in Mercialis centers to benefit from an additional channel for offering food and non-food products to consumers,
 2. a logistics platform that amalgamates all the services for retailers in centers to facilitate the consolidation and shipping of packages using a ship-from-store model (dedicated logistics unit, provision of consumables, centralized postage franking and collection), and

3. a transport offer that covers the full range of last-mile delivery solutions, enabling more efficiency and effectiveness for retailers and consumers (home delivery within two days, click & collect, drive-through, parcel collection lockers).

Risk trend: stable

The risk related to new forms of consumption is considered to be stable.

The obsolescence of personal item retailers has been a constant feature of the retail landscape for more than a decade, and the need to adapt the shopping centers is a major strategic element. This aspect became stronger between 2020 and 2023, with the successive health lockdown phases in 2020 and 2021, then the withdrawal of the retailer support measures which the French government set up in 2022, resulting in receiverships and compulsory liquidations for struggling retailers, particularly in the textiles sector. These insolvencies impacted the rental position of shopping centers in 2022 and 2023, although on a limited basis, especially within Mercialis' portfolio. In 2024, while the number of business failures in France remained high, Mercialis' portfolio demonstrated its resilience through a controlled vacancy rate and a very positive organic growth trend in rental income.

Similarly, while the health crisis led to the repeated closure of all "non-essential" stores, prompting some consumers to make some of their purchases online, it is difficult to assess the sustainability of this trend. The statistics do not show that e-commerce players have benefited from a massive and structural shift in consumption in 2020 and 2021, as illustrated by the rapid normalization of retailer sales in the shopping centers as soon as the various lockdown measures were lifted, followed by growth in retailer sales in 2022 and 2023. The gain in market share of e-commerce fell sharply in 2022, as described above. There are still questions surrounding the business model of "pure players" online, while financing conditions are tightening. We have therefore seen insolvencies affecting certain operators, as well as pressures triggered by rising logistics and referencing costs, and restrictions on product returns for online orders with many retailers (end of free returns). This raises the question of the sustainability of the market share gains made by e-commerce.

In any event, Mercialis believes that it has proven competitive advantages:

1. the difficulty of obtaining authorizations in France to open large food stores supports the Company's perception that it would be possible to welcome alternative tenants in hypermarket units, after potentially reducing the space allocated;
2. the classification by the government decrees, during the three lockdown periods between 2020 and 2021, of nearly 40% of its rental base as "essential retail" shows how its shopping centers are an integral part of communities' daily lives, as illustrated by the rapid recovery in footfall and retailer sales after the lockdowns were lifted;
3. competition from e-commerce is less acute nationally, and on a structural basis particularly in the medium-sized cities where Mercialis' assets are located and where visits are recurrent, cover short times and involve limited average baskets, making delivery costs for online purchases comparatively high.

(1) Source: Fevad – e-Commerce and distance selling federation.

5.2.2.2 Risks related to business activities

Risk related to retailer arbitrage and reletting

Impact  Probability  Trend →

Description of the risk

Mercialys lets space in its shopping malls and medium-sized stores primarily to major national or local retailers.

The impacts associated with these risks concern two key aspects. On the one hand, the profitability of tenant retailers. This may, from time to time, adversely affect the recovery rate or rental reversion potential. It may also have a more structural negative impact on Mercialys' rental revenues if insufficient profitability leads to store closures in the centers owned by the Company, against a backdrop of regular arbitrage by retailers concerning their physical points of sale at national level.

On the other hand, if retailers leave, the vacancy rate would impact rental revenues and the ability to pass on the centers' operating expenses during the reletting period. This could last longer when key retail sectors face difficulties, as seen for more than a decade with personal items in France, as mentioned in the previous risk.

This risk was historically accentuated by Mercialys' rental exposure to the Casino group, both through the significant portion of the rental income concerned (20.5% on an annual basis at December 31, 2023) and the financial and operational fragility of this operator. It should be noted that after the disposals of business assets concluded by Casino with other food retailers, Mercialys' rental diversification has greatly increased. Intermarché, Auchan Retail and Carrefour Hypermarkets thus represent 5.6%, 5.2% and 2.1% of Mercialys' annual economic rental income at the end of 2024. Excluding food distribution, no retailer accounts for more than 2% of Mercialys' annual rental income.

Risk management and coverage

Mercialys limits the insolvency risk and the risk relating to retailer chain closures primarily by diversifying its retailer mix, which limits the impact of a cancellation to a three-year period.

Mercialys has also put in place procedures to limit the retailer counterparty risk, including:

- a detailed analysis of achievements from a lettings perspective compared with the budget, carried out each month by the Administration and Finance Department, the Asset Management Department and the Lettings Department. The findings are presented to the Executive Committee and lead to specific action plans, which are also discussed with the Board of Directors;
- an annual analysis of the occupancy cost ratio (ratio between the amount of rent including tax, the costs including marketing funds and the work charged back to the retailer and its sales including tax) for each site when assets' business plans are reviewed. Any change that differs from the rates usually recorded for activities is subject to a dedicated review of the context for the retailer and tenant. The Lettings and Asset Management teams then draw conclusions and make decisions on a case-by-case basis;
- the setting of rents on a primarily fixed basis (98.2% of Mercialys' contractual rents on an annualized basis are fixed or include a guaranteed minimum rent at December 31, 2024);

- very regular operational procedures for rent collection and monitoring, carried out jointly by the Rental Management, Asset Management, Lettings, Operations and Administrative and Financial Department teams.

In addition, Mercialys plans ahead to anticipate the reletting risk through:

- close tracking of the vacancy rate and associated reletting actions. The quality of the retailers selected is a decisive factor, focusing in particular on their financial health, the relevance of their offering in relation to the catchment area's needs, their locally differentiating features and their effective fit complementing the existing retail mix;
- the structuring of the lettings team to specialize in different geographies and formats:
 1. for each geographical area, resulting in in-depth knowledge of local retailers, catchment areas and assets, and
 2. for each type of space, as the needs and constraints of retailers operating medium-sized stores are significantly different from those in small stores.

The asset management team supports the lettings team and ensures the financial soundness of negotiations for instance, within the broader context of each shopping center's target profitability;

- the asset rotation strategy. Mercialys regularly analyzes the positioning of all its assets within their catchment areas, and its ability to maintain a shopping center's strong appeal within this area over the long term is one of the criteria that may result in a site being divested;
- the adaptation of sites according to the changing needs of retailer formats. Lastly, in the food sector, Mercialys has carried out hypermarket transformations at a number of sites since 2015, reducing their floorspace and reletting the space vacated by the food operator to benefit the shopping center. Such projects could be repeated with new food store operators in the medium term. Similarly, non-food stores (shops, medium-sized stores) may be restructured according to the needs of the retailers, depending on the profitability of such projects. These adaptations are made possible by the structure of the buildings owned by Mercialys (one level, few facilities such as lifts or travelators, etc.).

Risk trend: stable

Consumption in France is expected to remain buoyant in the long term, thanks to positive demographics and a high savings rate, which remained at a historically sustained level of 17.6% in the second quarter of 2024 according to the Banque de France (versus 14.9% on average over 2009-2019).

In addition, underlying demand for quality retail premises, such as those offered by Mercialys, is expected to remain resilient in the long term. The Company benefits from its sites' strong anchoring in their catchment areas, thanks to retail mixes that are aligned with day-to-day needs. This is illustrated by the fact that, during the lockdown periods, up to 40% of Mercialys' rental base was classed as "essential retail". Lastly, the French commercial property system, through lease rights, offers strong protection for landlords. These factors help to secure Mercialys' revenues.

The geopolitical and economic context during the 2022-2023 period, followed by a highly uncertain political and budgetary environment in France, weighed on consumer confidence, although consumption did not contract significantly over the period. The unemployment rate, which stood at 7.4% at the end of the 3rd quarter of 2024, is low, consistent with the level from 2007.

Mercialys considerably ramped up its monitoring of tenants' health between 2020 and 2024 to effectively measure the impacts of the health crisis and then the withdrawal of government support measures. These events exacerbated pre-existing profitability issues for some retailers, especially in the textiles sector, with several national retailer tenants in shopping centers going into receivership or compulsory liquidation, especially in 2023. In addition to business disruptions, the investments to be made by retailers for their marketing and digital strategies faced with competition from online operators have negatively impacted their profitability and balance sheets. These factors could negatively impact Mercialys' future revenue profile as a result of:

- increased vacancy;
- reduced rental collection;
- a drop in variable rents, particularly for H&M;
- even pressure on minimum guaranteed rent levels.

In 2024, Mercialys achieved satisfactory performances. On the one hand, through the recovery rate (rental income and charges), which stands at a satisfactory 97.7% at December 31, 2024. On the other hand, through a recurrent financial vacancy rate that remains effectively under control, at 2.9% at end-2024. Lastly, through the positive trend for variable rents in 2024, highlighting the solid performance by the retailers concerned. In addition, the disposal by the Casino group of the hypermarket business assets held by Mercialys to other more financially and operationally sound operators represents a strengthening factor for the real estate company. As a result, the risk trend is deemed to be stable.

Risk related to the safety and security of operations and a deterioration in the portfolio

Impact  **High** Probability  Trend →

Description of the risk

As a real estate company, the risk relating to the safety and security of operations and a deterioration in the portfolio may take various forms, including:

- operation of its centers (fire, theft, terrorist attack, assault, etc.);
- work carried out at its centers (fall, injury, etc.);
- activities of certain tenants which may affect soil or underground water quality and building structures through roof installations, resulting in an impairment of the assets due to pollution or related deterioration;
- extreme weather conditions or the presence of parasites (termites, dry rot, etc.) which may damage the structure of buildings;
- a health crisis, such as the one linked to Covid-19, which may result in health and safety-related expenses and investments in shopping centers, or lead to partial or total site closures.

If it were to occur, this risk could result in very significant legal and reputational consequences for the Company.

Risk management and coverage

Several types of action are taken to manage this risk:

- safety and security procedures are put in place and regularly reviewed across all the centers, coordinating operations with Mercialys' Property Manager. The providers associated with these procedures are audited each year by the Property Manager. If the Property Manager considers that the results are not satisfactory, corrective actions are put in place and contracts may be terminated. Mercialys also conducts safety audits. It ensures

that corrective measures are implemented by the property manager where necessary;

- crisis management procedures are available and tested on a regular basis. The Property Manager's teams also raise retailers' awareness of these issues;
- the Property Manager ensures the regulatory compliance of tenant activities;
- coordinating operations with Mercialys, the Property Manager ensures that:
 - preventive maintenance measures are rolled out for buildings under multi-year work plans, and
 - work is carried out following specific events (e.g. weather events) in order to guarantee public safety and security;
- Mercialys' shopping centers are regularly audited by its insurers' "fire prevention" engineers, in line with annual priorities, notably determined based on the significance of the assets. All sites are audited at least once every five years. The reports from the insurers' fire prevention engineers are provided after each on-site appraisal, accompanied by recommendations, which are followed up on by Mercialys' teams, coordinating efforts with its insurers;
- in exceptional circumstances, such as social movements (e.g. "yellow vests" and farmers), or the Covid-19 pandemic, Mercialys also takes strong measures to ensure the health and safety of its visitors, retailers and employees, both directly and working with the property manager's teams;
- lastly, Mercialys has cover through its various insurance policies, calibrated based on the cost of rebuilding assets and the operating losses that could be sustained depending on the various scenarios considered.

Risk trend: stable

Public safety and security at Mercialys' shopping centers are part of the Company's core responsibilities, and it takes all the steps required to ensure the highest level of safety and security for visitors. The Company remains vigilant in the context of possible acts of terrorism in France, particularly with the Vigipirate Plan status raised to "attack emergency" status in October 2023. The Company also reinforces its capabilities for managing crisis situations at its sites through exchanges with the national security forces (RAID, GIGN, BRI).

On a more structural level, the portfolio's regular maintenance makes it possible to ensure the long-term viability of operations. The cover offered by the insurance policies in place is considered to be effectively calibrated in relation to the potential damages for the Company.

In this context, the trend associated with this risk is considered to be stable.

Risk related to acquisitions and construction operations

Impact  **High** Probability  Trend →

Description of the risk

Mercialys implements a dynamic asset rotation strategy as part of its growth model. Assets that are considered to have insufficient geographic exposure and growth potential, as well as those deemed to have reached their optimum value, are sold. This enables the Company to finance its development pipeline or acquisitions of assets.

Since its initial public offering in 2005, Mercialis has not built any greenfield sites. Mercialis' project pipeline primarily includes redevelopments of existing spaces and extensions. The potential demolition and construction operations relating to these projects are carried out under different types of contracts: direct basis, delegated project management, property development contract, etc. These major operations involve different levels of legal responsibility and financial risks. These include possible exposure to budget overruns on work or the impact of delays with delivering work.

In addition, Mercialis may acquire assets on the market. In this respect, the Company may be exposed to the consequences of incomplete diligence measures at the time of the acquisition, resulting in tax or financial consequences for instance.

Lastly, for both projects and acquisitions, Mercialis is exposed to the construction risk once the 10-year warranty period has expired. If applicable, this risk concerns the need to carry out costly work to bring the asset into line with standards or to refurbish it and ensure that it can operate under good conditions. Operating losses may represent an additional cost within this framework.

Risk management and coverage

As a principal for projects managed under delegated project management contracts, Mercialis carries out regular audits and controls to ensure:

- budgetary and financial monitoring: in addition to everyday management by the Asset Management and Delegated Project Management teams through regular project meetings, ex-post audits are conducted on the projects delivered the previous year to ensure that all cost overruns are effectively justified (request by the principal, program changes or unexpected constraints). Costings are drawn up by independent economists for the most significant projects;
- operational and technical monitoring: joint meetings between the Asset Management and Delegated Project Management teams take place regularly to ensure that projects are moving forward correctly and the specifications are being met;
- monitoring of compliance for health and safety risks: while Mercialis has no direct liability in the event of worksite incidents, there is an image-related risk associated with a financial impact. This risk is managed by both Mercialis and the Delegated Project Management team through the appointment of a health and safety coordinator. The latter is appointed to coordinate the activities of the various companies from a safety perspective. Note that the presence of this coordinator does not discharge the project manager from its legal responsibilities. Mercialis ensures that its teams regularly visit the projects underway at worksites. In the event of an incident, the Delegated Project Management team is alerted directly and the information is transmitted to Mercialis.

During acquisition procedures, Mercialis conducts audits on the assets or the companies holding the assets, covering real estate, tax, accounting and legal aspects, in order to limit the overvaluation risk on the purchase price. These audits are carried out by external advisors (e.g. legal advisors, tax experts, notaries), and coordinated by the Company's in-house teams (Corporate Legal, Real Estate Legal, Administration and Finance Department, and Asset Management).

Lastly, once the 10-year warranties have expired for sites that have been acquired or are under development, Mercialis ensures that the assets are properly maintained throughout their life through multi-year work plans. This vigilance makes it possible to:

- ensure the safety and security of shopping center operations; and
- ensure the balanced distribution of the capital expenditure needed to ensure their long-term viability.

Risk trend: stable

At the end of 2024, Mercialis had a Euro 417.5 million development project portfolio for 2029 and beyond. Its scale and flexibility offer Mercialis the prospect of quick and sequenced building starts in line with opportunities that may arise at the various sites, and particularly the trends for requirements in their respective catchment areas.

Given the context linked to the health crisis, Mercialis suspended its developments to a great extent between 2020 and 2021. Since 2022, the real estate company has worked to renew its development portfolio, in particular through participation in calls for projects, to supply it with projects that would be launched with yield targets higher than 7% and will include:

- sites owned by the Company;
- plots requiring agreements with joint owners or joint operators at sites where Mercialis already operates.

Mercialis also takes part in calls for projects organized by local municipalities, offering its mixed real estate expertise.

The Company has all the specific legal expertise for setting up projects. Alongside this, it works with renowned legal and tax advisors to support its development and acquisition projects. In 2020, the Company also strengthened its in-house technical skills, setting up a Technical Department capable of conducting critical reviews of maintenance and construction procedures. Lastly, partnerships with leading developers are put in place to help manage this risk.

In view of these procedures, the risk related to acquisitions and construction operations is considered to be stable.

5.2.2.3 Risks related to the financial position

Risk related to interest rates, the cost of debt, liquidity and financing

Impact  Probability  Trend 

Description of the risk

The historically low interest rate environment seen over the last decade gave way in 2022 and 2023 to a rapid rise in rates, resulting from the geopolitical context and the ECB's restrictive policy to tackle inflation. In 2024, French sovereign rates fluctuated throughout the year, their level (recorded via the 10-year OAT), increasing by 50 bps between the beginning and the end of the year. At the same time, short-term rates were on a downward trend (decline of 100 bps in the 1-month Euribor) between January and December 2024, again with significant volatility during the year.

In addition, Mercialis' bond spreads widened in 2024, with this movement also being observed for other issuers with high exposure on the French market, given a significant deterioration in the perception of country risk. In addition to technical factors related to the limited liquidity of the Company's bond issues on the secondary market, this change may also reflect a perception among investors of a risk associated with the residual rental exposure (2.8% of Mercialis' economic rental revenues at the end of 2024) to the Casino group and the latter's financial and operational problems.

If this trend continued, this would potentially lead to an increase in the Company's financing costs:

- either through the cost of existing debt, relating to its variable components;
- or through possible refinancing operations.

05. RISK FACTORS

Description and management of risks

This increase in the cost of credit conditions could also impact the acquisition or development operations of the Company, which will continue to demand high standards for the returns on its investments.

Mercialys' financial position at the end of 2024 appears to be healthy in terms of both liquidity and debt conditions, with the following elements:

Financial debt (in millions of euros)	12/31/2024	12/31/2023
Cash	283.7	118.2
Gross financial debt ⁽¹⁾	(1,288.3)	(1,184.7)
Net financial debt	(1,002.9)	(1,063.6)

(1) Including change in the fair value of financial debt, net book value of bond issue costs and premiums, and fair value of bond-backed derivatives.

At December 31, 2024, Mercialys' drawn debt totaled Euro 1,292 million, broken down as follows:

- a bond for a nominal total of Euro 300 million, with a fixed coupon of 1.80%, maturing in February 2026;
- a private bond placement for a nominal total of Euro 150 million, with a fixed coupon of 2.00%, maturing in November 2027;
- a bond for a nominal total of Euro 500 million, with a fixed coupon of 2.50%, maturing in February 2029;
- a bond for a nominal total of Euro 300 million, with a fixed coupon of 4.00%, maturing in September 2031;
- Euro 42 million of outstanding commercial paper, with a rate of around 3%.

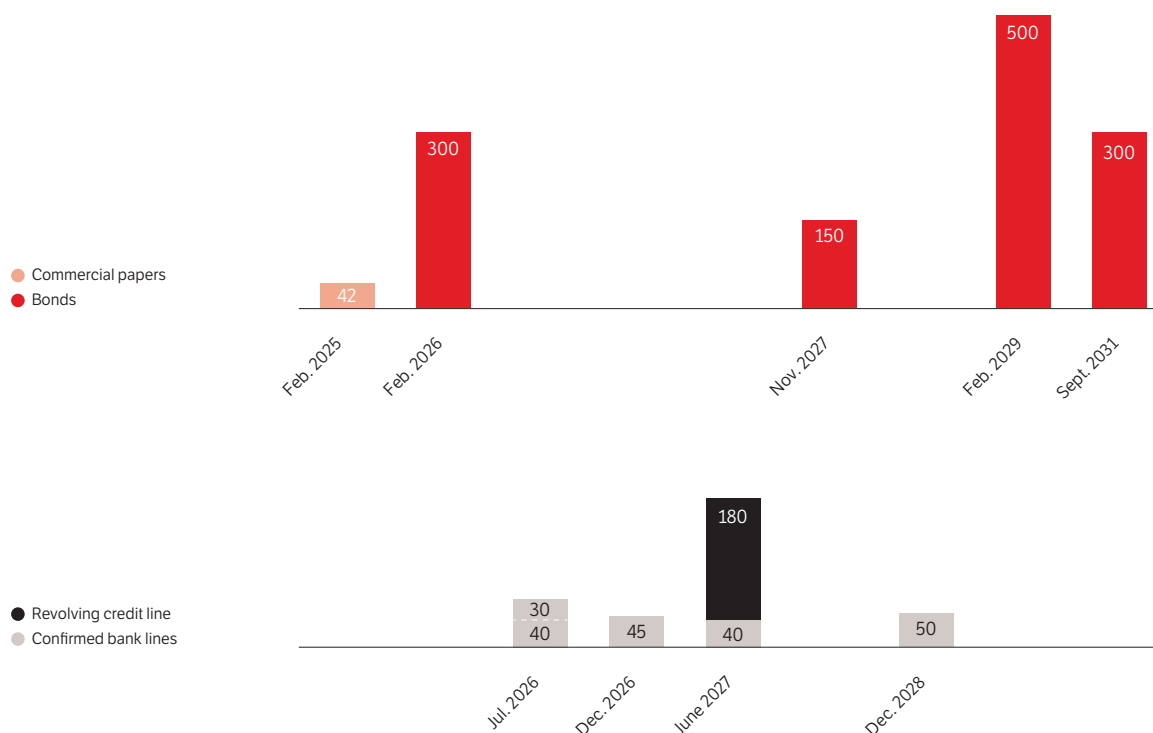
The average maturity of drawn debt was 3.8 years at December 31, 2024, stable compared with December 31, 2023.

Mercialys also has Euro 385 million of undrawn financial resources, enabling it to benefit from a satisfactory level of liquidity:

- a Euro 180 million revolving bank credit line, maturing in June 2027. The Euribor margin is 155 bps (for a BBB rating); if undrawn, this facility is subject to payment of a non-use fee equal to 40% of the margin;
- five confirmed bilateral bank facilities for a total of Euro 205 million, maturing between June 2026 and December 2028. The Euribor margins are 155 bps or lower (for a BBB rating) or fixed rate; if undrawn, these facilities are subject to payment of a non-use fee of up to 40% of the margins.

In addition, Mercialys has a Euro 500 million commercial paper program, set up during the second half of 2012, with Euro 42 million used (outstanding at December 31, 2024).

The table below shows Mercialys' bond debt maturity schedule and undrawn financial resources at December 31, 2024:



Mercialys' financial position also shows that it is respecting its contractual covenants (commitments).

The debt ratio (LTV: Loan To Value) is well below the limit set in the credit lines, i.e. 55%.

Loan to Value (in millions of euros)	12/31/2024	12/31/2023
Net financial debt	(1,002.9)	(1,063.6)
Appraisal value excluding transfer taxes ⁽¹⁾	2,627.5	2,737.4
Loan to value (LTV)	38.2%	38.9%

(1) Including the market value of investments in equity associates (Euro 43.9 million for 2024 and Euro 45.1 million for 2023), since the value of the portfolio of equity associates is not included in the appraisal value.

The Interest Coverage Ratio (ICR) is 5.5x, significantly higher than the minimum level set (ICR > 2x).

Interest Coverage Ratio (in millions of euros)	12/31/2024	12/31/2023
EBITDA	147.2	149.4
Net finance costs	(26.7)	(29.2)
Interest Coverage Ratio (ICR)	5.5x	5.1x

Risk management and coverage

The Company ensures the liquidity of its balance sheet and anticipates the refinancing of its drawn and undrawn debt upstream of their maturities, in order to maintain a satisfactory debt maturity, particularly in line with its BBB financial rating. Access to the bank and bond debt markets is worked through recurring contacts with investors and banks, the construction of a solid financial and operational performance record, and the demonstration of an ambitious sustainable strategy, a significant factor for lenders. Liquidity is also ensured by financing investments through regular asset rotation.

As part of the management of the cost of its debt, Mercialis actively manages its interest rate hedging policy, which is supported by external advisors. This policy is designed for:

- maintaining an optimal hedging rate and keeping the debt structure in line with its bank commitments. Following the early unwinding of the fixed/floating rate swaps, the fixed-rate debt position stood at 99% at December 31, 2024, with 93% expected for end-2025 (on a like-for-like debt structure), compared with the 66% required under the bank documentation. In connection with its Standard & Poor's financial rating (currently BBB/stable outlook), Mercialis adopts a cautious strategy by preserving significant leeway on its EBITDA/net finance cost ratio (ICR);
- limiting the risk on hedging instruments. Mercialis has defined a list of instruments that it can put in place in view of their associated risk profiles and hedging accounting constraints;

- anticipating the impacts of changes in interest rates. This is achieved by:
 - monitoring and keeping Senior Management regularly informed of changes in FED/ECB monetary policies and financial market developments,
 - carrying out regular sensitivity tests on interest rates in relation to the cost of debt and scenarios defined by the Finance Department concerning changes in the Company's rate hedging policy.

The interest rate risk management arrangements also include provisions to:

- limit the choice of banking counterparties. Mercialis only deals with major banks;
- be able to react quickly in the event of significant changes in interest rates through the regular mark-to-market modeling of Mercialis' entire portfolio, particularly with external modeling tools. As an external valuer, the company Forex provides regular reports on the entire portfolio and the counterparty risk. Tests are carried out quarterly, with the fair-value modeling of debt based on interest rates.

The risk of an increase in interest rates must be analyzed in connection with the hedging policy put in place by Mercialis through derivative financial instruments. With nearly 99% of the drawn debt at end-2024 hedged through to the final bond maturity of September 2031, the sensitivity of the Company's pre-tax income to a change in rates is limited, representing less than 0.1% of 2024 net recurrent earnings:

Sensitivity criteria	Impact on pre-tax income (in thousands of euros)
Impact of a + 1% change in interest rates	(43)
Impact of a - 1% change in interest rates	(97)

Risk trend: upward

This risk is of major structural importance for Mercialis, due to the real estate sector's capital intensity. Its trend is estimated to be upward given the high volatility in interest rates observed at the start of 2025 and bond spreads remaining under pressure, trends generated by the French political and budgetary context, but also by the uncertainties caused by geopolitical tensions and the potential impacts of measures that may be taken by the United States vis-à-vis the European Union. The European Central Bank's monetary policy, now based on a drop in interest rates, as well as the real estate company's fluid access to the debt markets, once again demonstrated in 2024, represent positive factors in terms of this risk.

Mercialis was able to carry out two major refinancing operations during the first half of 2022 and third quarter of 2024, including two bond issues for a cumulative nominal amount of Euro 800 million, and the early buyback for a combined total of Euro 770 million on three bond issues. In 2024, the Company was able to extend the maturity of 57% of its undrawn financing facilities. The Company's liquidity position therefore seems to be aligned with its requirements. The Company's ability to carry out disposals at values that are close to the appraisals, the effectively managed impacts of the health crisis and the sharp upswing in inflation on household consumption and retailer defaults and, more generally, on the shopping centers' business model, have helped to reassure the Company's financial stakeholders during this recent period, following a considerably more marked deterioration in the context in terms of perception in 2020. In addition, the perceived risk on the Company's credit standing should improve significantly while the

Casino group, an operator considered to be operationally and financially fragile and Mercialys' leading tenant until 2023, is now a small contributor to its economic rental revenues (2.8% at the end of 2024).

However, close monitoring of the liquidity situation and debt hedging adaptable to possible changes in interest rates are in place. Mercialys' dynamic management of its financial policy plays an active role in controlling this risk, while the French budgetary situation reduces the visibility of the medium-term evolution of sovereign rates and could continue to have an impact on the bond spreads of companies that are highly dependent on the domestic market, including Mercialys.

5.2.2.4 Legal and regulatory risks

Risk related to the REIT regime and tax compliance

Impact  **High** Probability  Trend 

Description of the risk

Mercialys is governed by French regulations, and aims to fully comply with all relevant tax obligations.

Furthermore, through its business activity, Mercialys has benefited from the tax regime applicable to REITs (listed real estate investment trusts) since November 1, 2005. As such, it is exempt from corporate tax on most of its activities, subject to compliance with certain strict obligations. This status notably imposes conditions on the distribution of profits, rules governing the holding of capital, and restrictions on the nature of activities carried out.

Any failure to comply with these obligations could result in exclusion from the REIT regime, leading to standard taxation on the Company's income and potentially a loss of attractiveness among investors and lenders. Moreover, regulatory changes could modify the eligibility conditions or the level of exemption currently determined for this regime, or even call into question the entire scheme.

Risk management and coverage

The Company has set up continuous legal and tax monitoring, so as to ensure comprehensive awareness of legal changes likely to affect the REIT regime. This monitoring is carried out by internal teams, trained regularly on these aspects, and supplemented by a specialized tax consultant. Mercialys is also a member of the Fédération des entreprises de l'immobilier (FEI) and the European Real Estate Association (EPRA), who hold regular dialogue with public authorities on tax standards.

Rigorous monitoring of eligibility criteria for the REIT regime is ensured, in particular by:

- determining the dividends of Mercialys SA and its subsidiaries, to ensure compliance with profit distribution obligations;
- reviewing the capital structure and activities in order to avoid any exceeding any of the imposed thresholds;
- ongoing dialogue with the Statutory Auditors and tax advisers regarding the tax decisions made by the Company.

Similarly, with regard to tax compliance outside the REIT scope, internal regulatory monitoring measures and via dedicated councils as well as national and European federations are also applied. In addition, Mercialys relies on robust internal systems and controls to verify the accuracy of tax calculations. The Company has implemented detailed procedures to ensure compliance with tax obligations, particularly with regard to tax returns and payments. Analyses are carried out prior to the conclusion of specific operations and transactions (investments or disposals in particular). In the event of a tax audit or dispute, Mercialys is supported by experienced external advisers to defend its positions.

Risk trend: upward

The risk trend related to the REIT regime and tax compliance is estimated to be upward due to the budgetary situation in France and the increased efforts of the authorities to boost tax revenues. Thus, while the listed real estate sector has been able to demonstrate the positive externalities created by European REITs in terms of their tax, environmental and societal contributions⁽¹⁾, the French State could increase contributions or review certain tax statuses such as that of REITs, as was observed in the Netherlands in 2022.

5.2.2.5 Risks related to internal control

Risk related to malicious intrusions and equipment or software failures

Impact  **High** Probability  Trend 

Description of the risk

IT tools are essential to the smooth running of the Company's activities, whether for the management of real estate assets, financial monitoring and cash management, or regulatory compliance. However, these systems are exposed to several dimensions of risk that may disrupt the Company's activity.

On the one hand, via external cyberattacks (phishing, ransomware, network intrusions) or via malicious or careless employees. In this respect, the French Data Protection Authority (CNIL) stresses that 20% of data breaches are caused by human error⁽²⁾. These intrusions may lead to unauthorized access to sensitive information, the modification or disclosure of data or the more general compromise of information systems. These attacks may result in financial losses, reputational damage and/or legal notification obligations to regulators or affected parties.

In addition, failures of equipment and / or networks hosting the Company's critical systems or interruptions to the network connection may occur, disrupting operations, causing delays or generating unforeseen costs to restore the affected systems.

Lastly, software failures can also lead to data loss, calculation or processing errors and delays in financial, operational or non-financial processes. Breakdowns caused by updates or migrations can cause system instability or loss of access to data or certain critical tools.

(1) *Impact of REITs in Europe, the role of REITs in the European Economy (December 2023).*

(2) *Commission Nationale de l'Informatique et des Libertés (CNIL): Personal data breaches: 5-year GDPR review (March 2024).*

Risk management and coverage

The main measures taken by Mercialis to combat malicious intrusions are focused on four main areas:

- 1st area: prevention, through a Cloud strategy designed to limit the scope of impact of a potential cyberattack by spreading the risk across several independent platforms, the widespread use of multi-factor authentication, intrusion and cybersecurity testing, and internal training. Prevention also includes regular training and awareness-raising sessions on best cybersecurity practices, provided by the internal information systems team for all employees. The Board of Directors also benefited from cybersecurity training in 2024, as did the Audit, Risks and Sustainable Development Committee;
- 2nd area: detection, via the widespread use of a tool for monitoring network equipment and application accessibility, as well as a VPN securing access to critical applications;
- 3rd area: the response to potential attacks, through the development of a disaster recovery and IT business continuity plan;
- 4th area: recovery, with non-alterable (offline) data backup processes.

In addition, a cyber insurance policy has been taken out, covering specific risks of an IT nature or origin, notably including malicious acts by third parties and data loss, for up to Euro 3 million. The risk of a ransomware attack is also covered.

There were no significant IT system breaches, data losses or cyberattacks in 2024.

The risks of tool failures are addressed through contracts with leading players, implementing proven security measures and ensuring software is maintained and updated on a controlled and regular basis. Mercialis is also supported by integrators who liaise with software publishers, as well as migrations, upgrades and specific developments carried out for the needs of the real estate company. Lastly, the Company has put in place an IT continuity plan to ensure activity can be resumed as quickly as possible.

An annual review of the information systems is carried out by the Statutory Auditors. This covers general IT controls for applications that have an impact on Mercialis' financial statements.

Risk trend: upward

This risk is amplified by the rapid evolution of technologies, the proliferation of cyber threats and the increased integration of digital solutions in the management of assets and stakeholder relations; the trend is therefore considered to be upward.

Indeed, cyber threats are diversifying and intensifying: according to the Corporate Cybersecurity Barometer by CESIN⁽¹⁾, 49% of companies recorded at least one cyberattack in 2023, with one company in two declaring having suffered a significant impact. The emergence of new attack methods, such as the use of artificial intelligence by malicious parties, makes cyberattacks more sophisticated, more frequent and more difficult to detect.

At the same time, issues affecting market software, such as the global failure that affected 8.5 million Windows-operated computing devices in July 2024 following a security software update, illustrate the vulnerability of this software. Faced with these trends, Mercialis is stepping up its security efforts, as well as strengthening its ability to anticipate and adapt to preserve its operational efficiency and its ability to comply with all compliance rules.

05

5.2.3 Legal real estate risks

In line with its activity to hold real estate assets in which shopping centers are or will be operated, Mercialis is required to comply with not only the tax rules linked to its REIT (listed real estate investment trust) status, but also the common law rules concerning the awarding of building permits, as well as many other specific or general regulations governing:

- urban planning for commercial property;
- public health;
- the environment;
- safety; and
- commercial leases.

Any significant changes to the regulations that are applicable to the Company may affect its operating results or its prospects for development or growth.

In addition, as is usually the case for shopping center owners, the Company cannot guarantee that all its tenants, particularly at sites that it has acquired recently, are compliant with all the regulations applicable, particularly in terms of public health, the environment, safety, commercial planning and operating permits. Any irregularities could result in Mercialis, as the property owner, being subject to penalties, which could adversely affect its results and financial position.

5.2.3.1 Risks related to regulations concerning commercial leases

Mercialis is subject to regulations concerning commercial leases as part of its business. French legislation on commercial leases is very strict with regard to the lessor. Certain contractual clauses in these leases, relating to the term, termination, renewal and rent indexation, are subject to public policy in France, and owners have only limited leeway to adjust rents according to market conditions for instance.

The parties set the initial rent at their discretion when entering into the lease agreement. Unless yearly indexation is provided for in the lease, the rent can only be adjusted every three years to bring it into line with the rental value but without exceeding the change in quarterly rent index recorded since the most recent rental adjustment.

Shopping center leases often include a variable rent clause. This provision sets the rent based on the tenant's sales, with a minimum guaranteed rent, in order to limit the risk for Mercialis in economic recession periods. Revenue-based indexation entails the risk of avoiding the adjustment or setting of the rent by the Commercial Rent Judge. The adjustment of the minimum guaranteed rent for a commercial lease based on changes in the ILC (commercial rent index) or ILAT (tertiary activities rent index) must therefore be included in the terms of the contract.

(1) Club des experts de la sécurité de l'information et du numérique, 9th edition of the annual barometer, January 2024.

05. RISK FACTORS

Description and management of risks

French Law no. 2014-626 of June 18, 2014 concerning the craft and retail sectors and microenterprises (the "Pinel Act"), and Decree no. 2014-1317 of November 3, 2014 changed some of the provisions relating to commercial leases.

The public policy changes have been incorporated into the commercial leases entered into or renewed by Mercialys since these new provisions came into effect.

Changes to the regulations governing commercial leases could therefore have a negative impact on the valuation of the portfolio, as well as the Company's earnings, business and financial position.

5.2.3.2 Risks related to regulations concerning urban development and shopping center construction, safety and operations

Mercialys' activities are subject to urban planning regulations and particularly the system of authorizations for commercial operations. In addition to administrative penalties for failing to comply with these requirements (such as formal notice from the local prefectural authorities, subject to a daily fine, to bring the site concerned into line with the authorization given, or a decision to close illegally operating sites to the public until the situation is resolved, also subject to a daily fine), criminal penalties may also be applied.

Furthermore, as establishments open to the public, certain buildings and shopping centers are subject to fire safety regulations. The Paris mayor or chief of police therefore only authorize sites to open after receiving a favorable report from the fire safety commission following a site visit. In addition, the safety commission performs inspections every two years to check compliance with safety standards, and issues a formal report. If regulations are breached, the Paris mayor or chief of police may decide to close the site.

Any regulatory change concerning urban planning or safety requirements for establishments open to the public that increases the restrictions or constraints for shopping center developments could limit Mercialys' outlook and possibilities for growth. Likewise, any easing of commercial urban planning regulations could depress the value of the Company's real estate assets.

The Company and its suppliers and subcontractors are also required to comply with various regulations which, if modified, could have significant financial consequences. Tougher building codes, safety regulations or criteria for obtaining planning permission and building permits (commercial licenses) could also have a negative impact on Mercialys' profitability and operating profit by increasing operating expenses and maintenance and improvement costs, as well as the administrative costs inherent in the shopping center business.



€417M

worth of projects



1,927

commercial leases



€62.5M

average value
of portfolio assets

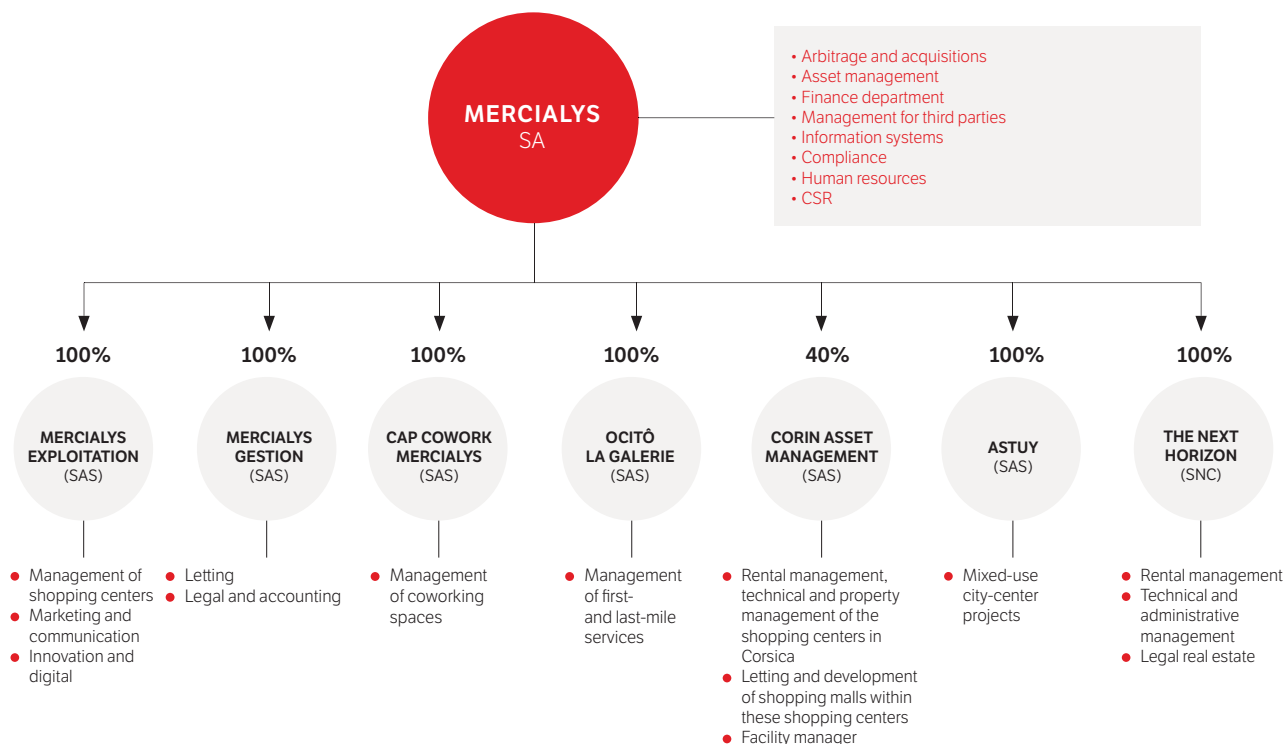
06.

ORGANIZATION OF THE MERCIALYS GROUP

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6.1 Operational organization

Mercialys' operational organization is briefly described in Chapter 4, on p. 218 et seq., and in Chapter 5, p. 302 et seq. The organization chart below shows the operational structure of the Mercialys group.



6.2 Related-party agreements

In an effort to strengthen the Company's governance, the Board of Directors of Mercialys, at its meeting of February 11, 2015, authorized the introduction of a procedure for agreements entered into between Mercialys group companies and related parties (see § 4.1.8.1, p. 252). At its meeting of December 12, 2019, the Board of Directors updated the charter relating to agreements between Mercialys group companies and related parties in order to include a procedure for determining and evaluating ongoing agreements entered into by Mercialys, a requirement of the "Pacte" law of May 22, 2019. The Board of Directors regularly reviews this charter.

Transactions with related parties are shown in Note 24 of § 3.1.2 to the consolidated financial statements, p. 184 et seq.

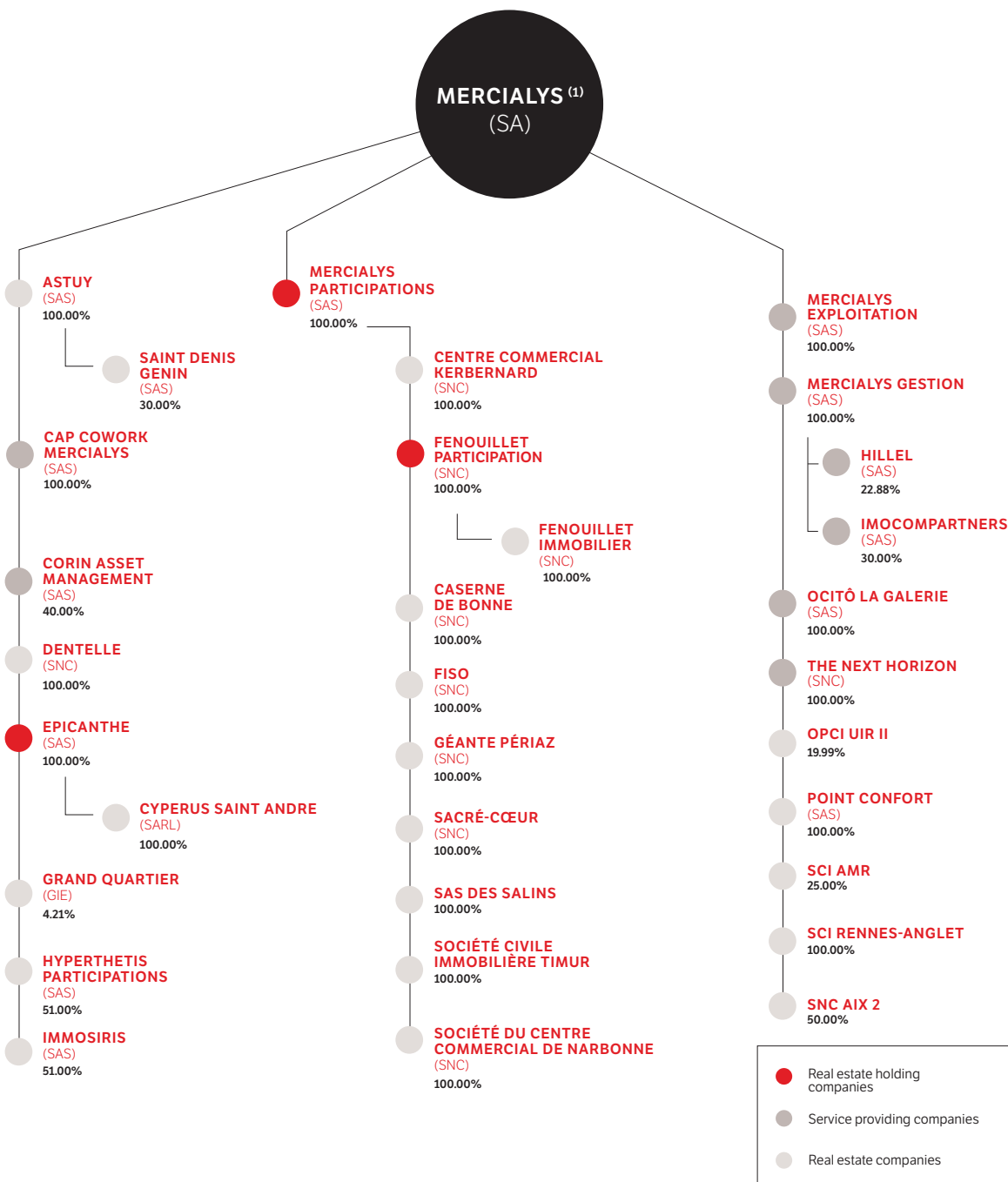
A table summarizing the regulated agreements and commitments that continued or were entered into during the 2024 fiscal year is available in the Appendix on p. 333.

The other agreements relate to standard transactions entered into on normal terms and conditions, as defined in Article L. 225-39 of the French Commercial Code.

6.3 Subsidiaries and equity investments - Mercialys group organization chart

The organization chart below presents the structure of the Mercialys group. The table of subsidiaries and equity investments can be found in § 3.2.2, Note 25, p. 208 et seq. In addition to revenue generated and net income for the fiscal year, the table also shows, for each company, shareholders' equity, the Net Asset Value of the securities and dividends received.

► MERCIALYS GROUP ORGANIZATION CHART AT DECEMBER 31, 2024



06

(1) Direct and indirect ownership.
The percentages shown correspond to the percentages of Mercialys group's capital ownership.

6.3.1 Subsidiaries

6.3.1.1 Service provider companies

A. Mercialys Gestion, SAS

This subsidiary is responsible for the management of large shopping centers, the letting of shopping centers and the development of casual leasing.

The company reported revenues, excluding taxes, of Euro 19.3 million for the fiscal year ended December 31, 2024, compared with Euro 17.4 million for 2023. Net income for the 2024 fiscal year was a loss of Euro 421,000, compared with a profit of Euro 59,000 at December 31, 2023.

B. Mercialys Exploitation, SAS

This subsidiary is responsible for the commercial operation of shopping centers.

The company reported revenues, excluding taxes, of Euro 7.1 million for the fiscal year ended December 31, 2024, compared with Euro 7.8 million at December 31, 2023. Net income for the 2024 fiscal year was a profit of Euro 820,000, compared with a profit of Euro 208,000 at December 31, 2023.

C. Cap Cowork Mercialys, SAS

This subsidiary operates spaces (coworking spaces, letting of offices and private or shared workspaces required for the coworking activity, meeting and reception rooms) and provides services associated with and to users of the coworking activity, as well as a company domiciliation business.

The company reported revenues, excluding taxes, of Euro 509,000 for the fiscal year ended December 31, 2024, compared with Euro 421,000 for 2023. Net income for the 2024 fiscal year was a loss of Euro 240,000, compared to a loss of Euro 201,000 at December 31, 2023.

D. Ocitô La Galerie, SAS

This subsidiary is in charge of connecting customers with partner retailers through any digital medium (website, mobile application, etc.). It also operates digital platforms (Internet, applications, etc.) intended to connect these partner retailers and customers in order to market products and services.

The company reported revenues, excluding taxes, of Euro 27,000 for the fiscal year ended December 31, 2024, compared with Euro 18,000 for 2023. Net income for the 2024 fiscal year was a profit of Euro 3,000, compared with a loss of Euro 705,000 at December 31, 2023.

E. The Next Horizon, SNC

This corporate purpose of this subsidiary, which was incorporated on May 31, 2021 and began operating in 2023, is rental management, property administration and technical assistance. The company reported revenues, excluding taxes, of Euro 6,102,000 for the fiscal year ended December 31, 2024, compared with Euro 5,552,000 in 2023. Net income for the 2024 fiscal year was a profit of Euro 373,000, compared with a profit of Euro 286,000 at December 31, 2023.

6.3.1.2 Real estate companies

A. Dentelle, SNC

Dentelle owns various parcels of land in the communes of Puy-en-Velay and Vals-Près-le-Puy (Haute-Loire), on which a retail park has been built.

The company reported revenues, excluding taxes, of Euro 479,000 for the fiscal year ended December 31, 2024, compared with Euro 484,000 at December 31, 2023. Net income for the 2024 fiscal year was a profit of Euro 331,000, compared with a profit of Euro 405,000 at December 31, 2023.

B. Fiso, SNC

This subsidiary leases the real estate assets it owns in the shopping centers in Istres and Angers and a coworking space in Angers. It also owns a stake in OPCI UIR II.

The company reported revenues, excluding taxes, of Euro 2.2 million for the fiscal year ended December 31, 2024, compared with Euro 1.9 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 963,000, compared with a profit of Euro 848,000 at December 31, 2023.

C. Géante Périaz, SNC

Géante Périaz owns properties attached to a complex in Seynod (Haute-Savoie).

The company reported revenues, excluding taxes, of Euro 1.5 million for the fiscal year ended December 31, 2024, compared with Euro 1.4 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 517,000, compared with a profit of Euro 663,000 at December 31, 2023.

D. Hyperthetis Participations, SAS

Hyperthetis Participations is 51%-owned by Mercialys and 49% by OPCI SPF2 Hyperthe, and owns five hypermarkets: Angers, Brest, Niort, Narbonne and Vals-près-le-Puy.

The company reported revenues, excluding taxes, of Euro 13 million for the fiscal year ended December 31, 2024, compared with Euro 16.5 million at December 31, 2023. Net income for the 2024 fiscal year was a profit of Euro 5.8 million, compared with a loss of Euro 13.7 million at December 31, 2023.

An agreement was signed between the shareholders of Hyperthetis Participations to organize the Company's governance.

The partners have a reciprocal call option if one of them no longer benefits from the exemption regime set out in Article 208 C of the French General Tax Code, either temporarily or permanently. Upon the exercise of this option, the shareholder who no longer benefits from the regime will not be obliged to compensate the company for any prejudice suffered by it due to the loss of the tax exemption regime. However, if the reciprocal option is not exercised, the shareholder that no longer benefits from the regime must compensate the company for any prejudice suffered by it because of the loss of this exemption regime.

Each partner has a right of first refusal and then a tag-along right.

Hyperthetis Participations and Mercialys have entered into a service agreement with a brand licensing agreement.

E. Immosiris, SAS

This company is 51% owned by Mercialys and 49% by OPCI Real Estate Access Fund, managed by BNP Paribas REIM France, and owns the shopping center in Clermont-Ferrand, as well as the adjacent hypermarket.

The company reported revenues, excluding taxes, of Euro 7.8 million for the fiscal year ended December 31, 2024, compared with Euro 7.4 million at December 31, 2023. Net income for the 2024 fiscal year was a profit of Euro 5.0 million, compared with a loss of Euro 3.9 million at December 31, 2023. An agreement was signed between the shareholders of Immosiris to organize the company's governance. The agreement provides for a lock-up period for the Company's shares, which ended on April 30, 2023.

Mercialys has a liquidity clause on all the securities held by Real Estate Access Fund. This option may be exercised only in the event of a change of manager or change of control in Real Estate Access Fund, or in the event of the entry by a competitor into the capital of Real Estate Access Fund, or new investors.

Additionally, the partners have a reciprocal call option if one of them no longer benefits from the exemption regime set out in Article 208 C of the French General Tax Code, either temporarily or permanently. Upon the exercise of this option, the shareholder who no longer benefits from the regime will not be obliged to compensate the company for any prejudice suffered by it due to the loss of the tax exemption regime. However, if the reciprocal option is not exercised, the shareholder that no longer benefits from the regime must compensate the company for any prejudice suffered by it because of the loss of this exemption regime.

Each partner has a right of first refusal and then a tag-along right.

Furthermore, a service agreement and an asset management agreement were signed by Immosiris and Mercialys.

F. Point Confort, SAS

This subsidiary owns the extension to the Aurillac shopping center.

It also holds stakes in Fiso, Société du Centre Commercial de Narbonne S.N.C., Dentelle, Géante Périaz, Société Civile Immobilière Timur, Caserne de Bonne, Centre Commercial Kerbernard, Fenouillet Participation, Sacré-Cœur, SCI Rennes-Anglet, The Next Horizon and OPCI UIR II.

The company reported revenues, excluding taxes, of Euro 279,000 for the fiscal year ended December 31, 2024, compared with Euro 297,000 for 2023. Net income for the 2024 fiscal year was a loss of Euro 75,000, compared to a loss of Euro 384,000 at December 31, 2023.

G. SAS des Salins

SAS des Salins owns the shopping center extension at the Fréjus site and five retail units in the Carcassonne industrial estate.

The company reported revenues of Euro 1.3 million for the fiscal year ended December 31, 2024, compared with Euro 1.2 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 544,000, compared with a profit of Euro 512,000 at December 31, 2023.

H. Caserne de Bonne, SNC

This subsidiary owns the city-center shopping center "La Caserne de Bonne" in Grenoble, comprising retail stores, 1,100 sq.m. of offices and 300 parking spaces as well as a coworking space.

The company reported revenues, excluding taxes, of Euro 4.8 million for the fiscal year ended December 31, 2024, compared with

Euro 4.5 million for 2023. Net income for the 2024 fiscal year was a loss of Euro 5.7 million, compared with a loss of Euro 2.0 million at December 31, 2023.

I. Société Civile Immobilière Timur

Société Civile Immobilière Timur owns the parking lots at the Sainte-Marie Duparc shopping center in Reunion Island, as well as a retail complex.

The company reported revenues, excluding taxes, of Euro 5.3 million for the fiscal year ended December 31, 2024, compared with Euro 5.2 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 4.0 million, compared with a profit of Euro 4.4 million at December 31, 2023.

J. Société du Centre Commercial de Narbonne, SNC

This subsidiary leases the property it owns in the shopping center of the Narbonne shopping center.

The company reported revenues, excluding taxes, of Euro 0.9 million for the fiscal year ended December 31, 2024, compared with Euro 1 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 332,000, compared with a profit of Euro 547,000 at December 31, 2023.

K. Centre Commercial Kerbernard, SNC

This company owns most of the retail units at the Géant Casino shopping center in Brest, together with the parking lots.

The company reported revenues, excluding taxes, of Euro 4.4 million for the fiscal year ended December 31, 2024, compared with Euro 4.3 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 3 million, compared with a profit of Euro 3 million at December 31, 2023.

L. Astuy, SAS

Astuy aims to integrate real estate development projects. It owns 30% of SAS Saint-Denis Genin.

Net income at December 31, 2024 was a loss of Euro 39,000, compared with a loss of Euro 42,000 at December 31, 2023.

M. Fenouillet Immobilier, SNC

The company Fenouillet Immobilier owns the extension of the Toulouse Fenouillet shopping center, as well as a coworking space.

Fenouillet Immobilier reported revenues of Euro 6.5 million for the fiscal year ended December 31, 2024, compared with Euro 6.4 million at December 31, 2023. Net income at December 31, 2024 was a loss of Euro 593,000, compared with a loss of Euro 1,014,000 at December 31, 2024.

N. Sacré-Cœur, SNC

Sacré-Cœur owns the extension to the Cap Sacré-Cœur shopping center, located in the municipality of Le Port, in Reunion Island.

The company reported revenues, excluding taxes, of Euro 4.2 million for the fiscal year ended December 31, 2024, compared with Euro 3.8 million at December 31, 2023. Net income for the 2024 fiscal year was a profit of Euro 1,980,000, compared with a profit of Euro 1,613,000 at December 31, 2023.

O. Cyperus Saint André, SARL

This company owns an eight-hectare plot in Reunion Island. The company did not generate any revenues in the fiscal year ended December 31, 2024, nor that ended December 31, 2023. Net income at December 31, 2024 was a loss of Euro 1,156,000, compared with a loss of Euro 215,000 at December 31, 2023.

P. SCI Rennes-Anglet

SCI Rennes-Anglet essentially owns and operates assets in the commune of Anglet. It was initially 30% owned by Mercialys and 70% owned by L'Immobilière Groupe Casino. In 2019, SCI Rennes-Anglet sold the hypermarkets in Rennes and Anglet and therefore only held standalone units in Anglet.

In 2022, under the terms of the shareholders' agreement signed on July 13, 2018 between Mercialys and L'Immobilière Groupe Casino, Mercialys acquired 70% of this company, previously owned by L'Immobilière Groupe Casino.

The company reported revenues, excluding taxes, of Euro 461,000 for the fiscal year ended December 31, 2024, compared with Euro 435,000 for 2023. Net income for the 2024 fiscal year was a profit of Euro 88,000, compared with a profit of Euro 124,000 at December 31, 2023.

6.3.1.3 Real estate holding companies

A. Mercialys Participations, SAS

Mercialys Participations owns nine real estate companies, and also a stake in OPCI UIR II. The company did not generate any revenues

in the fiscal year ended December 31, 2024. Net income for the 2024 fiscal year was a profit of Euro 6.7 million, compared with a loss of Euro 16.4 million for 2023.

The company has opted for the status of listed real estate investment company (SIIC).

B. Epicanthe, SAS

Epicanthe holds all of the shares in Cyperus Saint André, which owns an 8-hectare site in Saint-André de La Réunion.

The company reported a loss of Euro 1,622,000 for the fiscal year ended December 31, 2024, compared with a loss of Euro 453,000 at December 31, 2023.

C. Fenouillet Participation, SNC

The company Fenouillet Participation holds 100% of the company Fenouillet Immobilier, which owns the extension of the shopping center delivered in 2016.

Fenouillet Participation ended the 2024 fiscal year with a profit of Euro 1,299,000, compared with a loss of Euro 1,926,000 at December 31, 2023.

6.3.2 Equity investments

A. SNC Aix 2

SNC Aix 2 is equally owned by Mercialys and the company Jas de Bouffan.

This company owns the extension to the shopping center in Aix-en-Provence.

The company reported revenues, excluding taxes, of Euro 1.6 million for the fiscal year ended December 31, 2024, compared with Euro 1.6 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 465,000, compared with a profit of Euro 152,000 at December 31, 2023.

B. SCI AMR

In April 2013, Mercialys formed a partnership with Amundi when it set up SCI AMR, 43.4% owned by Mercialys and 56.6% by OPCIMMO (a collective investment scheme specializing in real estate and open to the general public, managed by Amundi). Mercialys sold or transferred four shopping centers to SCI AMR: Paris Saint-Didier, Montauban, Valence 2 and Angoulême. SCI AMR also acquired the Niort and Albertville sites, sold by Mercialys, on December 29, 2016. Following this transaction, and the entry of two SCPIs (real estate investment trusts) into the capital of SCI AMR, Mercialys' holding was reduced to 39.9%.

An agreement was signed between the partners of SCI AMR to organize the governance of the company. On December 29, 2016, the partners signed an amendment to the original agreement specifically to:

- include the two new assets, Niort and Albertville;
- incorporate both SCPIs;
- but also to extend the term of the SCI, initially set at ten years.

On December 23, 2020, the partners signed a new shareholders' agreement, following the acquisition by SCI AMR of the Monoprix sites in Chaville, Marcq-en-Baroeul and Puteaux, as well as the hypermarkets in Besançon and Gassin from Mercialys. On the same date, SCI AMR sold the Montauban and Valence 2 sites to Mercialys. As part of the financing of these transactions, a

non-proportional capital increase of SCI AMR was carried out by its partners, resulting in a dilution of Mercialys' stake in the vehicle from 39.9% to 25.0%.

Mercialys also has an asset management mandate, a letting mandate and a mandate for the exclusive communication of mutual interests.

The company reported revenues, excluding taxes, of Euro 24 million for the fiscal year ended December 31, 2024, compared with Euro 25.6 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 5.5 million, compared with a loss of Euro 16.9 million at December 31, 2023.

C. Corin Asset Management, SAS

Corin Asset Management is jointly owned by Mercialys and Corin, which owns 60% of capital. It provides rental, technical and property management services to the five shopping centers in Corsica, of which Mercialys acquired 60% of the undivided property rights in December 2006 and January 2007. It is also responsible for letting and developing the shopping arcades in these centers and manages the co-ownership contract between Corin and Mercialys.

There is a right of first refusal in the event of the sale of shares to third parties other than the partners and the companies in their group, proportional to each shareholder's equity interest, irrespective of the shares offered.

3 mandates were entered into between Corin Asset Management and the group of owners of five shopping centers in Corsica (of which Mercialys holds 60% of the undivided property rights):

- a rental management and expense management mandate;
- a technical and administrative management mandate; and
- an asset management and letting mandate.

The company reported revenues, excluding taxes, of Euro 1.3 million for the fiscal year ended December 31, 2024, compared with Euro 1 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 153,000, compared with a loss of Euro 60,000 at December 31, 2023.

D. OPCI UIR II

In July 2011, Mercialis and Union Investment, a German fund manager highly active on the real estate market, created an OPCI (OPCI UIR II). Its purpose is to accommodate mature commercial assets according to the opportunities offered by the market. This same year, it acquired the shopping center of the Pessac shopping center (33).

Mercialis, which holds 19.99% of this OPCI, and Union Investment have entered into a shareholders' agreement which provides that Mercialis has a put option in the event of acquisition by the OPCI of new assets or dilution of its shares. The partners have preferential subscription rights in the event of a partial or total transfer of the shares of one or more of the partners. The shareholders' agreement also provides for a total or proportional exit right as well as drag-along right.

An asset management mandate, a letting mandate and an exclusive communication of mutual interest mandate exist between Mercialis and UIR II.

At September 30, 2024, the OPCI UIR II had not generated any revenue (real estate income recognized). Net income on the same date was a loss of Euro 11,000.

In the 2nd half of 2021, a preliminary sales agreement was signed on the Pessac shopping center, with the disposal to be finalized during the first half of 2022. The OPCI was dissolved on February 13, 2023, with approval from the French Financial Markets Authority (AMF) granted on March 21, 2023.

E. Saint-Denis Genin, SAS

This company, incorporated on December 13, 2019, is involved, within the framework of a property transaction to be carried out on land located in Saint-Denis (93) – Boulevard Anatole France, square Pierre-de-Geyter and rue Genin, in:

- (i) the acquisition of all real estate assets and rights and the execution of all demolition, construction, extension, restructuring, development, improvement, renovation, maintenance or other work;
- (ii) managing real estate programs and real estate development for all types of buildings, whatever their nature or purpose;

(iii) developing all types of land and fitting out all types of real estate complexes; and

(iv) letting and selling (individually or in blocks) all property assets and rights, whether off-plan or completed, and in the event of a sale, managing by any means the financial proceeds of such sale or sales.

It is 30% owned by SAS Astuy.

Net income for the period to September 30, 2024 was zero, unchanged from December 31, 2023.

F. Hillel, SAS

In July 2023, the Mercialis group acquired a 22.88% stake in Hillel (DEPUR group), a company specializing in the conceptualization and execution of major Food & Beverage & Entertainment projects. Net income at the end of June 2024 was a loss of Euro 1,052,000.

G. ImocomPartners, SAS

In December 2023, the Mercialis group obtained approval from the French Financial Markets Authority (AMF) to acquire a 30% stake in the portfolio management company ImocomPartners. This company manages the ImocomPark OPPCI, whose shares are mainly reserved for institutional investors and family offices. This fund, which matures in 2032, holds a portfolio of 33 retail parks in France with a gross leasable area of more than 385,000 sq.m, let to nearly 400 tenants.

The remaining 70% of the share capital will be acquired by Mercialis in the 1st half of 2025 at the end of an interim period during which the current executives will have supported the development of the company. The price of this second tranche will be adjusted according to the performance of the portfolio management company and the underlying fund. This second stage is subject to prior authorization from the AMF.

The company reported revenues, excluding taxes, of Euro 5.8 million for the fiscal year ended December 31, 2024, compared with Euro 6.3 million for 2023. Net income for the 2024 fiscal year was a profit of Euro 1.1 million, compared with a profit of Euro 1.7 million at December 31, 2023.

6.4 Statutory Auditors' special report on regulated agreements

General Meeting for approval of the financial statements for the fiscal year ended December 31, 2024

To the General Meeting of Mercialys,

As Statutory Auditors of your company, we hereby present our report on regulated agreements.

It is our responsibility, on the basis of the information provided to us, to communicate to you the characteristics, essential terms and conditions, as well as the reasons for the Company's interest in the agreements of which we have been advised, or which we have discovered during our assignment, without commenting on their usefulness or validity, or identifying the existence of other such agreements. It is your responsibility, according to Article R. 225-31 of the French Commercial Code, to assess the benefits of these agreements in view of their approval.

In addition, we are required, where applicable, to provide you with the information specified in Article R. 225-31 of the French Commercial Code concerning the performance, during the past fiscal year, of agreements already approved by the General Meeting.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures consisted in verifying that the information communicated to us matched the basic documents from which they originate.

Agreements submitted for approval to the General Meeting

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past fiscal year which were subject to the prior authorization of your Board of Directors.

With Vincent Ravat, Chief Executive Officer and Director of Mercialys, representative of Mercialys in its capacity as President of Hyperthetis Participations, and Elizabeth Blaise, Deputy Chief Executive Officer of Mercialys, representative of Mercialys in its capacity as President of Hyperthetis Participations.

1) Real estate transfer deeds

Nature and purpose

On December 6, 2023, the Board of Directors authorized the signing of real estate transfer deeds between Hyperthetis Participations and Mercialys. These deeds were finalized on June 26, 2024, taking effect on the same day. In the context of the disposal of the hypermarkets in Aix-en-Provence and Nîmes, as the surveyor reports revealed mutual encroachments between the Hyperthetis Participations and Mercialys properties, these arrangements were adjusted with a view to selling all of the premises operated by the hypermarket tenant. The price of these transfers, with consideration, between the two companies is based on the appraisals carried out in the second quarter of 2023.

Mercialys holds 51% of the share capital of Hyperthetis Participations, with SPF2 Hyperthe holding the remainder. Hyperthetis Participations is chaired by Mercialys, itself represented by its legal representatives Vincent Ravat, Chief Executive Officer, and Elizabeth Blaise, Deputy Chief Executive Officer.

Terms and conditions

The finalization of the transfer at the Aix-en Provence site saw Mercialys pay the sum of Euro 446,215 to Hyperthetis Participations. The transfer at the Nîmes site involved a payment of Euro 988,726 made by Hyperthetis Participations to Mercialys.

Reasons justifying the interest of the agreement for the Company

Your Board of Directors justified this agreement as follows: "In the context of the planned forthcoming sale of the Aix-en-Provence and Nîmes hypermarkets, as the surveyor reports revealed mutual encroachments between the Hyperthetis Participations and Mercialys properties, these arrangements need to be adjusted with a view to selling all of the premises operated by the hypermarket tenant."

Agreements already approved by the General Meeting

We hereby inform you that we have not been informed of any agreement already approved by the General Meeting, the execution of which continued during the past fiscal year.

Paris-La Défense and Lyon, March 10, 2025

The Statutory Auditors

KPMG SA
Régis Chemouny

ERNST & YOUNG et Autres
Sylvain Lauria

Appendix: Summary table of current regulated agreements

The table below summarizes the regulated agreements in force, as described in the Statutory Auditors' Special Report in accordance with Article R. 225-31 of the French Commercial Code, namely the agreements entered into and authorized during previous fiscal years and which continued during the 2024 fiscal year. No new regulated agreements were signed during the 2024 fiscal year.

Nature of the agreement	Date of Board meeting	Date signed	Date of General Meeting and resolution	Expiry	Financial conditions in 2024	Interest for the Company
Between Mercialys and Hyperthetis Participations						
Real estate transfer deeds	12/06/2023	06/26/2024	04/29/2025 No. 17	-	This transfer was concluded with a balance of Euro 446,215 payable by Mercialys.	Arrangements adjusted with a view to selling all of the premises operated by the tenant of the Aix-en-Provence hypermarket
Real estate transfer deeds	12/06/2023	06/26/2024	04/29/2025 No. 17	-	This transfer was concluded with a balance of Euro 988,726 payable by Hyperthetis Participations.	Arrangements adjusted with a view to selling all of the premises operated by the tenant of the Nîmes hypermarket



€1.00

Dividend/share



9.9%

Yield on 2024 year-end
share price



99.1%

free float

07.

STOCK MARKET INFORMATION AND SHARE CAPITAL

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7.1 Stock market information

7.1.1 Market for Mercialys shares

Mercialys shares have been listed on the Euronext Paris stock exchange (ISIN code: FR0010241638 – Ticker symbol: MERY) since October 12, 2005. Mercialis was listed on compartment B in 2024. It joined compartment A on January 31, 2025. Its shares were eligible for the “classic” Deferred Settlement Service (SRD) from February 26, 2008 to December 29, 2020, the date on which they became eligible for the “long-only” SRD.

Mercialys is part of the SBF 120 index as well as various indices specific to the real estate sector (EPRA, IEIF) and indices taking into account the characteristics of Socially Responsible Investment (Gaia index in particular).

Over the years, the Company has also issued 7 bonds, the most recent of which was dated September 10, 2024.

At the end of December 2024, 4 loans were outstanding.

Date of issue	Date of maturity	Residual nominal amount	Coupon	ISIN code	Listing
November 3, 2017	November 3, 2027	Euro 150.0 million	2.000%	FR0013293362	Paris (Euronext)
February 27, 2018	February 27, 2026	Euro 300.0 million	1.800%	FR0013320249	Paris (Euronext)
February 28, 2022	February 28, 2029	Euro 500.0 million	2.500%	FR0014008JQ4	Paris (Euronext)
September 10, 2024	September 10, 2031	Euro 300.0 million	4.000%	FR001400SG89	Paris (Euronext)

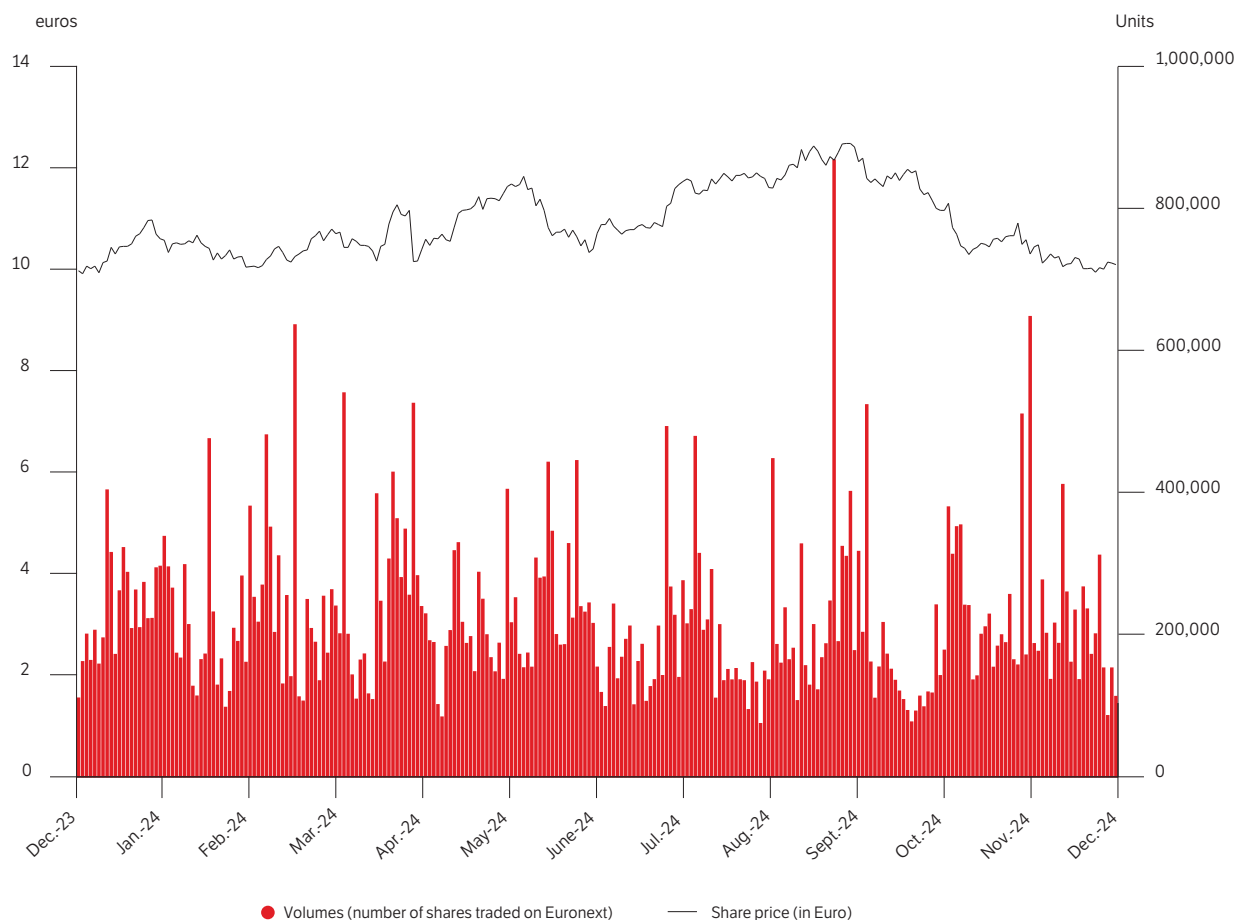
Mercialys is rated BBB/outlook stable by Standard & Poor's.

▶ TRADED VOLUMES AND SHARE PRICE EVOLUTION OVER THE PAST 18 MONTHS ⁽¹⁾

	Extreme prices (in euros)		Number of shares traded (in thousands)	Capital traded (in millions of euros)
	Highest	Lowest		
2023				
July	8.775	7.710	3,603	29,714
August	8.685	7.765	3,738	30,244
September	8.925	8.255	4,293	37,159
October	8.600	7.780	3,811	30,737
November	9.065	8.005	4,812	41,322
December	10.050	8.785	4,398	41,096
2024				
January	11.040	9.825	5,521	54,844
February	10.750	9.775	4,400	45,464
March	10.850	9.975	4,907	50,665
April	11.370	9.965	5,559	59,110
May	11.630	10.110	4,565	50,344
June	11.870	10.330	5,028	55,214
July	11.870	10.390	4,259	46,802
August	11.960	11.280	4,290	50,161
September	12.740	11.540	5,141	62,796
October	12.250	10.810	3,985	46,073
November	10.930	10.240	5,070	53,273
December	10.410	9.875	3,951	39,938

(1) Source: Euronext Paris.

► SHARE PRICE AND NUMBER OF SECURITIES TRADED IN 2024



07

► STOCK MARKET PERFORMANCE OVER THE LAST 5 YEARS

	2020	2021	2022	2023	2024
Price (in euros) ⁽¹⁾					
Highest	12.64	11.07	10.42	10.79	12.74
Lowest	3.89	6.71	6.87	7.415	9.775
December 31 (closing price)	7.22	8.57	9.77	9.945	10.11
Market capitalization at December 31 (in millions of euros)	665	805	917	934	949

(1) Source: Euronext Paris.

7.1.2 Share buyback program

7.1.2.1 Current share buyback program

The Ordinary General Meeting of April 25, 2024 authorized the Board of Directors to purchase or arrange for the purchase of Company shares in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, Articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (AMF), and European regulations on market abuse (specifically Regulations (EU) 596/2014 of April 16, 2014 and 2016/1952 of March 8, 2016).

Objectives of the share buyback program:

The objectives of the share buyback program authorized by the General Meeting of April 25, 2024 are:

- to maintain liquidity and stimulate the market for the Company's shares through an investment services provider acting independently in the name and on behalf of the Company, in connection with a liquidity agreement compliant with a Code of Ethics recognized by the French Financial Markets Authority (AMF);
- to implement any savings plan in accordance with Articles L. 3332-1 et seq. of the French Labor Code or any bonus share plans pursuant to the provisions of Articles L. 22-10-59, L. 22-10-60 and L. 225-197-1 et seq. of the French Commercial Code or any other share-based compensation scheme;
- to deliver them upon exercise of rights attached to marketable securities giving access to the Company's share capital;
- to keep them with a view to subsequently using them as payment or exchange in connection with, or following, any external growth transaction;
- to cancel all or part of them in order to optimize net earnings per share in connection with a share capital reduction in the manner specified by law;
- to conduct any further market practice authorized by the French Financial Markets Authority and generally to carry out any transaction compliant with applicable regulations.

Buyback terms and conditions:

The acquisition, sale, transfer or exchange of these shares may be carried out, on one or more occasions, by any means, in particular, by trading on the regulated market, through multilateral trading facilities or over-the-counter (OTC), including by block transaction. These means include the use of any derivative financial instrument and the implementation of options strategies in accordance with the conditions authorized by the relevant market authorities.

In the event of a public offer relating to the shares or marketable securities issued by the Company, the Company may only use this authorization to meet its commitments regarding the delivery of securities, particularly in the context of bonus share plans or strategic transactions undertaken and announced before the launch of the public offer.

Maximum buyback price:

The purchase price of the shares shall not exceed Euro 16 (sixteen) (excluding acquisition costs) per share with a par value of Euro 1 (one) each.

Maximum share of capital:

This authorization may be implemented within the limit of a number of shares representing 10% of the Company's share capital, taking into account transactions affecting it after the date of the General Meeting of April 25, 2024. When the Company's shares are purchased under a liquidity agreement, the number of these shares taken into account when calculating the 10% threshold mentioned above corresponds to the number of these shares purchased, net of the number of shares resold under the liquidity agreement during the authorization period. However, the number of shares acquired by the Company with a view to retaining them and subsequently delivering them in payment or exchange as part of a merger, spin-off or contribution must not exceed 5% of the share capital. Purchases made by the Company may not, under any circumstances, result in the Company holding at any time whatsoever, more than 10% of the shares making up its share capital.

7.1.2.2 Transactions out in 2024

A. Liquidity agreement

In an effort to increase the liquidity of the Group's shares and ensure share price stability, as well as to avoid large fluctuations in the Company's share price unwarranted by market trends, the Company entered into a liquidity agreement with Oddo Corporate Finance on February 20, 2006. This agreement complies with the French Financial Markets Association's (AMAFI) Code of Ethics approved by the French Financial Markets Authority (AMF) on October 1, 2008. The Company allocated Euro 1.6 million to a liquidity account to implement this liquidity agreement.

The Company added Euro 800,000 to the liquidity account on January 20, 2009, a further Euro 3 million on March 9, 2009, and Euro 6 million on May 25, 2009, bringing the total sum allocated to Euro 11.4 million. On December 5, 2011, the Company decided to make a partial withdrawal of Euro 3.4 million, reducing the amount allocated to the liquidity agreement from Euro 11.4 million to Euro 8 million.

On September 9, 2019, the Company entered into a new liquidity agreement, effective retroactively from January 2, 2019, with Oddo BHF SCA. This new liquidity agreement, established following changes in regulations relating to liquidity agreements and in accordance with the French Financial Markets Authority (AMF) Decision No. 2018-01 of July 2, 2018, replaces the previous agreement signed on February 14, 2006. For the implementation of the new agreement, the Company allocated 345,930 shares and Euro 2,389,808.95 to the liquidity account. The fixed amount paid under this agreement, which includes trading costs, amounted to Euro 42,000 excluding taxes for the 2024 fiscal year.

During the 2024 fiscal year, 4,309,434 Mercialis shares were purchased at an average price of Euro 10.87 each, and 4,167,599 Mercialis shares were sold at an average price of Euro 10.90 each. At December 31, 2024, the liquidity account contained 418,450 shares and Euro 2,397,177.04 in liquidities.

B. Other transactions

On December 6, 2024, the Company appointed Oddo BHF SCA to buy back its shares in order to cover any bonus share plans, with effect from December 5, 2024 until December 16, 2024 inclusive and covering 200,000 shares.

Thus, in 2024, the Company acquired, through this investment service provider, acting independently in the name and on behalf of the Company, 200,000 shares at an average price of Euro 10.0745. Trading fees in respect of this mandate amounted to Euro 3,022.36 excluding taxes.

No shares were canceled during the 24-month period from January 1, 2023 to December 31, 2024.

C. Summary of transactions

The table below summarizes the transactions carried out by the Company on treasury shares between January 1, 2023 and December 31, 2024 and indicates the number of treasury shares held by the Company:

	Number of shares	% of capital
Number of shares held at December 31, 2023	608,389	0.65
Number of shares purchased under the liquidity agreement	4,309,434	
Number of shares sold under the liquidity agreement	(4,167,599)	
Number of shares purchased	200,000	
Number of shares canceled	0	
Number of bonus shares	(131,366)	
Number of shares held at December 31, 2024	818,858	0.87

The Company's position at December 31, 2024 was as follows:

	12/31/2024
Number of treasury shares in portfolio	818,858
Percentage of share capital held directly or indirectly as treasury shares	0.87%
Number of shares canceled during the last 24 months	0
Book value of portfolio (€M)	8.0
Market value of the portfolio (€M) ⁽¹⁾	8.3

(1) Value calculated in millions of euros on the basis of the closing price on December 31, 2024, i.e. Euro 10.11.

Mercialys has no open positions in derivatives. The 818,858 treasury shares held at December 31, 2024 were allocated as follows:

- 418,450 shares for use in connection with the liquidity agreement;
- 400,408 shares for use in any savings plan or bonus share plans for executive corporate officers and employees of the Company and related companies.

7.1.2.3 Description of the Company's share buyback program submitted for shareholder approval

At the Ordinary General Meeting of April 29, 2025, shareholders will be asked to renew the Board of Directors' authorization to purchase or arrange for the purchase of Company shares pursuant to Articles L. 22-10-62 et seq. of the French Commercial Code, Articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (AMF), and European regulations on market abuse (specifically Regulations (EU) 596/2014 of April 16, 2014 and 2016/1052 of March 8, 2016).

Objectives of the share buyback program:

The objectives of the share buyback program that will be submitted to the General Meeting of April 29, 2025 are:

- to maintain liquidity and stimulate the market for the Company's shares through an investment services provider acting independently in the name and on behalf of the Company, in connection with a liquidity agreement compliant with a Code of Ethics recognized by the French Financial Markets Authority (AMF);
- to implement any savings plan in accordance with Articles L. 3332-1 et seq. of the French Labor Code or any bonus share plans pursuant to the provisions of Articles L. 22-10-59, L. 22-10-60 and L. 225-197-1 et seq. of the French Commercial Code or any other share-based compensation scheme;
- to deliver them upon exercise of rights attached to marketable securities giving access to the Company's share capital;
- to keep them with a view to subsequently using them as payment or exchange in connection with, or following, any external growth transaction;
- to cancel all or part of them in order to optimize net earnings per share in connection with a share capital reduction in the manner specified by law;
- to conduct any further market practice authorized by the French Financial Markets Authority and generally to carry out any transaction compliant with applicable regulations.

Buyback terms and conditions:

The acquisition, disposal, transfer or exchange of these shares may be carried out, on one or more occasions, by any means and in particular by trading on the regulated market, multilateral trading facilities or over the counter (OTC), including by block transaction or systematic internalization. These means include the use of any derivative financial instrument and the implementation of options strategies in accordance with the conditions authorized by the relevant market authorities.

In the event of a public offer relating to shares, securities or marketable securities issued by the Company, the Company may only use this authorization to satisfy its commitments to deliver securities, in the context of bonus share plans committed to and announced before the launch of the public offer.

Maximum buyback price:

The purchase price of the shares shall not exceed Euro 16 (sixteen) (excluding acquisition costs) per share, with a par value of Euro 1 (one) each.

Maximum share of capital:

This authorization may be implemented up to a maximum number of shares representing 10% of the Company's share capital, taking into account transactions affecting it subsequent to the date of this General Meeting, i.e. 9,388,650 shares based on the share capital at December 31, 2024, for a maximum amount of Euro 150.2 million.

When the Company's shares are purchased under a liquidity agreement, the number of these shares taken into account when calculating the 10% threshold mentioned above will correspond to the number of these shares purchased, net of the number of shares resold under the liquidity agreement during the authorization period. However, the number of shares acquired by the Company with a view to retaining them and subsequently delivering them as payment or exchange as part of a merger, spin-off or contribution transaction may not exceed 5% of the share capital. Purchases made by the Company may not, under any circumstances, result in the Company holding at any time whatsoever, more than 10% of the shares making up its share capital.

Duration of the buyback program:

The authorization granted to the Board of Directors is valid for a period of eighteen months. It terminates and replaces the authorization previously granted by the 17th resolution of the General Meeting of April 25, 2024.

Cancellation of shares:

The Ordinary and Extraordinary General Meeting of Shareholders held on April 27, 2023 renewed the authorization granted to the Board of Directors to reduce the Company's share capital through the cancellation of treasury shares. This authorization, granted for a period of 26 months, is valid until June 26, 2025. The renewal of this authorization will be proposed to the General Meeting of April 29, 2025.

7.1.3 Dividend distribution policy

On November 24, 2005, the Company elected to be taxed under the regime applicable to listed real estate investment trusts (REITs).

As a REIT, Mercialis is exempt from corporate tax on its rental revenues and on capital gains generated from the sale of real estate assets or some investments in real estate companies. In return for this tax exemption, REITs must distribute to their shareholders at least 95% of the tax-exempt profits generated from property leasing and subletting transactions. Similarly, REITs must distribute at least 70% of the tax-exempt profits generated from the sale of real estate assets or investments in real estate companies. Dividends from subsidiaries that are subject to corporate tax and are covered by this tax regime must be paid out in full.

At December 31, 2024, the net income generated by Mercialis, the parent company, amounted to Euro 44.7 million, of which Euro - 9.2 million in tax-exempt income and Euro 53.9 million in taxable income.

A dividend of Euro 1.0 per share for the 2024 fiscal year will be proposed at the General Meeting of April 29, 2025, for a total amount of Euro 93.9 million based on the number of shares outstanding at December 31, 2024, without taking into account the cancellation of dividends on treasury shares on the payment date. The proposed dividend corresponds to 83% of the recurring net income for 2024 and offers a yield of 9.9% on the closing price at December 31, 2024.

This dividend proposal comprises the distribution obligation under REIT status concerning tax-exempt profits from:

- the leasing or subletting of properties (including dividends paid by subsidiaries subject to the REIT regime), i.e. Euro 0.78 per share;
- the distribution of tax-exempt income recorded in the Company's balance sheet in the amount of Euro 0.22 per share.

The payment of the dividend of Euro 1.0 per share would take place on May 6, 2025 (ex-dividend date being May 2, 2025), subject to approval by the General Meeting on April 29, 2025.

Dividends taken from the tax-exempt profits of REITs do not qualify for the 40% allowance provided for in Article 158-3, paragraph 2, of the French General Tax Code. Only dividends taken from the non-tax-exempt profits of REITs are eligible for this allowance.

Furthermore, social security contributions (17.2%) on dividends paid to individuals fiscally domiciled in France are withheld by the paying institution. In addition, since January 1, 2018, an income tax prepayment (12.8%) has also been withheld on these dividends by the paying institution.

The following table shows dividends paid over the last five fiscal years:

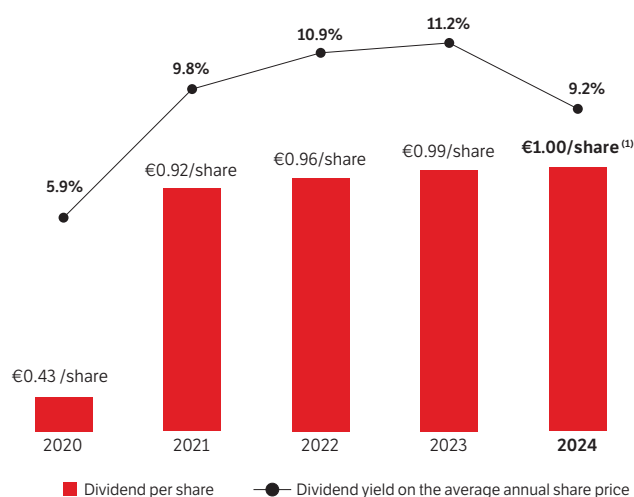
Fiscal year ended	Dividend per share	Dividend distributed eligible for the 40% allowance ⁽¹⁾	Dividend distributed not eligible for the 40% allowance
December 31, 2019	€0.95	None	€0.95
December 31, 2020	€0.43 ⁽²⁾	None	€0.43
December 31, 2021	€0.92	None	€0.92
December 31, 2022	€0.96	None	€0.96
December 31, 2023	€0.99	None	€0.99

(1) Pursuant to Article 158-3, paragraph 2, of the French General Tax Code for individuals.

(2) The General Meeting of April 22, 2021 decided to propose to each shareholder an option for the full dividend for the 2020 fiscal year to be paid in cash or in new Company shares.

Dividends not claimed within five years of their payment date are forfeited and handed over to the French Treasury, pursuant to Articles L. 1126-1 and L. 1126-2 of the French Public Property Code.

■ DIVIDEND PAYMENT AND YIELD HISTORY



7.1.4 Communication policy

Mercialys has set up organized and efficient financial reporting in order to reflect its resolute determination for transparency concerning its business activity and its earnings, and to raise awareness about its business.

The team in charge of financial reporting and investor relations is able to respond to requests for information and documentation from all existing or potential individual or institutional investors.

The Mercialys' website (www.mercialys.com) presents the Group's activities and organization, together with all relevant financial and extra-financial data, in both French and English.

The website also hosts all the Company's published documentation, including the information required by Articles 221-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF).

This information is kept for at least five years (ten years for Registration Documents/Universal Registration Documents and half-year financial reports) after their issue date.

The Company's quarterly rental revenues and full-year and half-year results are detailed in press releases issued in French and English.

These press releases, published online on the Company's website and sent through the usual regulatory channels (wire services), are also distributed by email to all investors listed in the Mercialys

Customer Relationship Management (CRM) database, and to any interested party. Requests may be submitted directly via the "Contact" page on the website, or by writing to the Financial Communication and Investor Relations Department at the following address:

16-18, rue du Quatre-Septembre – 75002 Paris

Email: finance@mercialys.com

Mercialys also holds at least one financial information meeting and one conference call each year to discuss the Company's earnings and strategy. These meetings are translated in the meeting room into English, when they are held in person, and broadcast by telephone and via the Internet in French and English.

Mercialys also participates actively in road shows and industry and thematic conferences, during which it meets with a large number of the Company's current and potential shareholders and bondholders.

During these events, Mercialys gives them direct access to Senior Management and certain members of the Executive Committee.

In addition, Mercialys' Management also met, in person or by telephone, with a growing number of investors from various parts of the world who have opted for direct access to the Company.



The list of information published or made public by Mercialis in 2024 is as follows:

Nature of the information	Publication date
Activity and results	
Press release on 2023 annual results	02/14/2024
Press release on Q1 2024 activity	04/18/2024
Press release on the disposal of hypermarkets	07/02/2024
Press release on 2024 half-year results	07/24/2024
Press release on the Euro 300 million bond issue	09/03/2024
Press release on the early redemption notice for the July 2027 bond	09/11/2024
Press release on the price of the early buyback of the 2027 bond	09/20/2024
Press release on Q3 2024 activity	10/24/2024
Press release on share purchases from December 9, 2024 to December 16, 2024	12/17/2024
Ordinary and Extraordinary General Meeting of April 25, 2024	
2023 Universal Registration Document	03/15/2024
Meeting notice for the Ordinary and Extraordinary General Meeting published in the BALO of March 18, 2024	03/18/2024
2024 meeting brochure	03/23/2024
Number of outstanding shares and voting rights at March 18, 2024	03/19/2024
Press release on the availability of preparatory documents for the Ordinary General Meeting	04/04/2024
Statutory Auditors' fees (extract from the 2023 Universal Registration Document)	04/04/2024
Postal or proxy voting form	04/04/2024
Description of the share buyback program (extract from the 2023 Universal Registration Document)	04/04/2024
Amount of compensation paid to the highest-paid employees, as certified by the Statutory Auditors	04/04/2024
Note on external references used within the context of the compensation policy for executives	04/04/2024
Compensation for executives (in accordance with the Afep-Medef Corporate Governance Code)	04/04/2024
Meeting notice for the Ordinary and Extraordinary General Meeting published in the BALO of April 5, 2024	04/05/2024
Meeting notice for the Ordinary and Extraordinary General Meeting published in Affiches Parisiennes on April 5, 2024	04/05/2024
Presentation of the General Meeting of April 25, 2024	04/25/2024
Minutes and votes of the Ordinary and Extraordinary General Meeting of April 25, 2024	04/25/2024
Company	
Press release on environmental performance, Mercialis named "Regional and industry Top ESG performer" by Sustainalytics	01/22/2024
Press release on environmental performance: Mercialis on the CDP Climate A List	02/06/2024
Press release on societal performance: Mercialis scores 93/100 on the 2023 Gender Equality Index	03/01/2024
Press release on the Transparency Awards: Mercialis wins first prize for ESG transparency	07/04/2024
Press release on governance: Mercialis strengthens its governance and management structure	09/23/2024
Press release on the annual GRESB ranking: Mercialis improves its ESG performance score	10/15/2024
Shares	
Press release on the number of outstanding shares and voting rights at December 31, 2023*	01/09/2024
Press release on the half-year review of the liquidity agreement at December 31, 2023*	01/19/2024
Press release on the number of outstanding shares and voting rights at January 31, 2024*	02/02/2024
Press release on the number of outstanding shares and voting rights at February 29, 2024*	03/04/2024
Press release on the number of outstanding shares and voting rights at March 31, 2024*	04/03/2024
Press release on the number of outstanding shares and voting rights at April 30, 2024*	05/03/2024
Press release on the number of outstanding shares and voting rights at May 31, 2024*	06/03/2024
Press release on the number of outstanding shares and voting rights at June 30, 2024*	07/03/2024
Press release on the half-year review of the liquidity agreement at June 30, 2024*	07/11/2024
Press release on the number of outstanding shares and voting rights at July 31, 2024*	08/08/2024
Press release on the number of outstanding shares and voting rights at August 31, 2024*	09/04/2024

Nature of the information	Publication date
Press release on the number of outstanding shares and voting rights at September 30, 2024*	10/02/2024
Press release on the number of outstanding shares and voting rights at October 31, 2024*	11/06/2024
Press release on the number of outstanding shares and voting rights at November 30, 2024*	12/04/2024
Press release on the number of outstanding shares and voting rights at December 31, 2024*	01/06/2025
Other regulated information	
Press release on compensation for executives dated February 20, 2024	02/20/2024
Press release on the availability of the 2023 Universal Registration Document*	03/13/2024
Filing and online publication of the 2023 Universal Registration Document*	03/13/2024
Online publication of the CSR chapter of the 2023 Universal Registration Document	03/14/2024
Online publication of the chapter of the 2023 Universal Registration Document on the compensation and benefits of directors and corporate officers	03/14/2024
Online publication of the fees paid to Statutory Auditors for 2023	03/14/2024
Online publication of the report on internal control and corporate governance	03/14/2024
Online publication of the list of information published or made public by Mercialis in 2023	03/14/2024
Online publication of the 2023 Integrated report	03/14/2024
Press release on the availability of the 2024 Half-Year Financial Report	07/24/2024
Online publication of the 2024 Half-Year Financial Report*	07/24/2024

* Regulated information within the meaning of Article 221-1 of the General Regulation of the French Financial Markets Authority (AMF).

7.1.5 2025 Financial calendar

The Mercialis financial calendar is as follows. It is also available on the Company website at www.mercialis.com.

2025 FINANCIAL CALENDAR				
April 28, 2025 (after market close)	April 29, 2025	July 24, 2025 (after market close)	July 25, 2025	October 16, 2025 (after market close)
First-quarter activity	Annual General Meeting	First-half results	Financial information meeting	Activity at end-September
<i>Embargo period⁽¹⁾ from April 14, 2025 before market open to April 28, 2025 after market close</i>		<i>Embargo period⁽¹⁾ from July 09, 2025 before market open to July 24, 2025 after market close</i>		<i>Embargo period⁽¹⁾ from October 1, 2025 before market open to October 16, 2025 after market close</i>

(1) Period during which the Company will not provide financial analysts or investors with new information regarding its ongoing business transactions and earnings.

7.2 Share capital and shareholdings

7.2.1 Amount of and changes in share capital over the last five years

On May 21, 2021, the Company's share capital was increased by Euro 1,837,332 through the creation of 1,837,332 shares with a par value of Euro 1 each. This increase results from the exercise by Company shareholders of the option to receive the dividend allocated in respect of the 2020 fiscal year in Company shares.

As such, the share capital, which amounted to Euro 92,049,169 at December 31, 2020, divided into 92,049,169 shares with a par value of Euro 1 each, all of the same class, was increased on May 21, 2021 to Euro 93,886,501, divided into 93,886,501 shares with a par value of Euro 1 each, all of the same class and fully paid up.

The share capital remained unchanged at February 29, 2025.

► CHANGES IN/HISTORY OF SHARE CAPITAL OVER THE LAST FIVE YEARS

	Number of shares created	Amount of changes in share capital (in euros)		Successive amounts of share capital (in euros)	Number of shares in issue	Par value per share (in euros)
		Nominal	Premium ⁽¹⁾			
2020	-	-	-	92,049,169	92,049,169	1
2021	1,837,332	1	15,268,228.92	93,886,501	93,886,501	1
2022	-	-	-	93,886,501	93,886,501	1
2023	-	-	-	93,886,501	93,886,501	1
2024	-	-	-	93,886,501	93,886,501	1

(1) At the time of the capital increase, before any deductions authorized by the General Meeting.

7.2.2 Authorized share capital not issued – Authorizations granted to the Board of Directors

The Board of Directors has been granted the following authorizations to issue securities giving access to the share capital, by the General Meeting of Shareholders on April 27, 2023:

Operation	Resolution	Maximum amount	Term	Expiry
a) Capital increase with PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities	18 th resolution GM 04/27/2023	Euro 46.5 million ^{(2) (3)}	26 months	06/26/2025
b) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities, via public offer	19 th resolution GM 04/27/2023	Euro 9.3 million ^{(2) (3)}	26 months	06/26/2025
c) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities through an offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code	20 th resolution GM 04/27/2023	Euro 9.3 million ^{(2) (3)}	26 months	06/26/2025
d) Increase in the number of shares to be issued in the event of a capital increase with or without PSR ⁽¹⁾	21 st resolution GM 04/27/2023	15% of the original issue ^{(2) (3)}	26 months	06/26/2025
e) Capital increase through the incorporation of reserves, profits, premiums or other amounts that may be capitalized	22 nd resolution GM 04/27/2023	Euro 46 million	26 months	06/26/2025
f) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital in the event of a public exchange offer for the shares of another listed company ⁽¹⁾	23 rd resolution GM 04/27/2023	Euro 9.3 million ^{(2) (3)}	26 months	06/26/2025
g) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital in exchange for contributions in kind granted to the Company and comprising capital securities or securities granting access to the share capital	24 th resolution GM 04/27/2023	Euro 9.3 million ⁽³⁾	26 months	06/26/2025
h) Capital increase reserved for employees subscribed to a savings plan of the Company or any of its affiliates without PSR ⁽¹⁾	26 th resolution GM 04/27/2023	2% of the total number of shares as of the day of the authorization (i.e. 1,877,730 shares)	26 months	06/26/2025
i) Bonus share plans to the Company's salaried employees and to the Company's executive corporate officers, and to the salaried employees of its affiliates	27 th resolution GM 04/27/2023	1% of the total number of shares on the day of the authorization (i.e. 938,865 shares) of which 0.5% for executive corporate officers (i.e. 469,432 shares)	26 months	06/26/2025

(1) PSR: preferential subscription rights.

(2) The total nominal amount of debt securities that may be issued on the basis of this authorization may not exceed Euro 200 million or the equivalent value in any other currency, or in any monetary unit established by reference to multiple currencies.

(3) The total nominal amount of debt securities that may be issued on the basis of authorizations granted by the 18th, 19th, 20th, 21st, 23rd and 24th resolutions of the General Meeting of April 27, 2023 may not exceed Euro 200 million or its equivalent in any other currency or in any monetary unit established by reference to several currencies. The total nominal amount of capital increases that may be carried out immediately and/or in the future on the basis of authorizations granted by the 18th, 19th, 20th, 21st, 23rd and 24th resolutions of the General Meeting of April 27, 2023 may not exceed Euro 46.5 million or its equivalent on the same date in any other currency, it being specified that the total amount of capital increases that may be carried out, immediately and/or in the future, without preferential subscription rights, may not exceed Euro 9.3 million, not including, for each amount, the nominal amount of the additional shares to be issued to preserve the rights of the holders of securities granting access to the share capital in accordance with the law.

None of the authorizations granted were used during the 2024 fiscal year, with the exception of those relating to bonus share plans.

Pursuant to the authorization granted by the General Meeting of April 27, 2023, the Board of Directors granted:

- 198,740 bonus shares in 2023,
- 180,798 bonus shares in 2024,

subject to the satisfaction of presence and/ or performance conditions (see § 7.2.5.3, p. 351 et seq.).

The Board of Directors is also authorized to reduce the share capital by canceling treasury shares representing up to 10% of the existing share capital at the date of cancellation (i.e. adjusted to take account of transactions affecting the share capital), per 24-month period. No use has been made of this authorization, which was granted for a period of 26 months from April 27, 2023, i.e. until June 26, 2025.

The General Meeting of April 29, 2025 is asked to grant the following authorizations:

Operation	Resolution	Maximum amount	Term	Expiry
a) Capital increase with PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities	22 nd resolution GM 04/29/2025	Euro 46.5 million ^{(2) (3)}	26 months	06/28/2027
b) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities, via public offer	23 rd resolution GM 04/29/2025	Euro 9.3 million ^{(2) (3)}	26 months	06/28/2027
c) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital or debt securities through an offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code	24 th resolution GM 04/29/2025	Euro 9.3 million ^{(2) (3)}	26 months	06/28/2027
d) Increase in the number of shares to be issued in the event of a capital increase with or without PSR ⁽¹⁾	25 th resolution GM 04/29/2025	15% of the original issue ^{(2) (3)}	26 months	06/28/2027
e) Capital increase through the incorporation of reserves, profits, premiums or other amounts that may be capitalized	26 th resolution GM 04/29/2025	Euro 46 million	26 months	06/28/2027
f) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital in the event of a public exchange offer for the shares of another listed company ⁽¹⁾	27 th resolution GM 04/29/2025	Euro 9.3 million ^{(2) (3)}	26 months	06/28/2027
g) Capital increase without PSR ⁽¹⁾ through the issue of shares or securities granting access to the share capital in exchange for contributions in kind granted to the Company and comprising capital securities or securities granting access to the share capital	28 th resolution GM 04/29/2025	Euro 9.3 million ⁽³⁾	26 months	06/28/2027
h) Capital increase reserved for employees subscribed to a savings plan of the Company or any of its affiliates without PSR ⁽¹⁾	30 th resolution GM 04/29/2025	2% of the total number of shares as of the day of the authorization (i.e. 1,877,730 shares)	26 months	06/28/2027
i) Bonus share plans to the Company's salaried employees and to the Company's executive corporate officers, and to the salaried employees of its affiliates	31 st resolution GM 04/29/2025	1% of the total number of shares on the day of the authorization (i.e. 938,865 shares) of which 0.5% for executive corporate officers (i.e. 469,432 shares)	26 months	06/28/2027

(1) PSR: preferential subscription rights.

(2) The total nominal amount of debt securities that may be issued on the basis of this authorization may not exceed Euro 200 million or the equivalent value in any other currency, or in any monetary unit established by reference to multiple currencies.

(3) The total nominal amount of debt securities that may be issued on the basis of authorizations granted by the 22nd, 23rd, 24th, 25th, 27th and 28th resolutions of the General Meeting of April 29, 2025 must not exceed Euro 200 million or its equivalent in any other currency or in any monetary unit established by reference to several currencies. The total nominal amount of capital increases that may be carried out immediately and/or in the future on the basis of authorizations granted by the 22nd, 23rd, 24th, 25th, 27th and 28th resolutions of the General Meeting of April 29, 2025 must not exceed Euro 46.5 million or its equivalent on the same date in any other currency, it being specified that the total amount of capital increases that may be carried out, immediately and/or in the future, without preferential subscription rights, must not exceed Euro 9.3 million, not including, for each amount, the nominal amount of the additional shares to be issued to preserve the rights of the holders of securities granting access to the share capital in accordance with the law.

7.2.3 Allocation of share capital and voting rights

Article 28-III of the Company's articles of association includes the following provisions regarding voting rights:

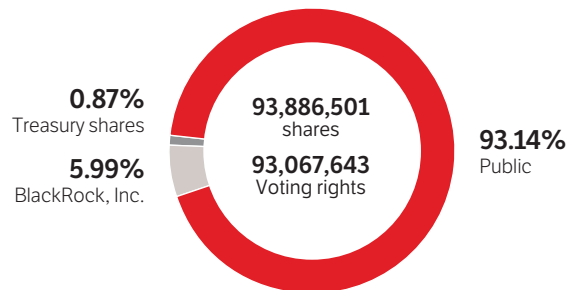
"All shareholders are entitled to the same number of votes as the shares they own or represent, without any limitation, the sole exception being the cases provided for by law and the articles of association."

Pursuant to the option provided for by Article L. 225-123, paragraph 3 of the French Commercial Code, double voting rights are not attributed to fully paid-up shares for which proof is provided of registration for two years in the name of the same shareholder.

"The vote or proxy issued by an intermediary who is neither declared as an intermediary registered as a holder of securities on behalf of a third party not domiciled in France, nor has revealed the identity of the owners of the securities in respect of which such intermediary is registered, in accordance with applicable regulations, shall not be taken into consideration."

At December 31, 2024, the number of voting rights at the General Meeting totaled 93,067,643, associated with 93,886,501 shares with voting rights. The number of voting rights is different from the number of shares comprising the share capital because the Company holds a certain number of treasury shares.

► BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT DECEMBER 31, 2024



The breakdown of the share capital and voting rights at the end of the last three fiscal years, including shareholders holding more than 5% of the share capital and voting rights, is presented below.

HISTORICAL BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

	12/31/2022			12/31/2023			12/31/2024				
	Number of shares	% of capital	% of exercisable voting rights*	Number of shares	% of capital	% of exercisable voting rights*	Number of shares	% of capital	Number of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights*
BlackRock Inc. ⁽¹⁾	-	-	-	5,666,317 ⁽²⁾	6.04 ⁽²⁾	6.07	5,624,902 ⁽³⁾	5.99 ⁽³⁾	5,624,902 ⁽³⁾	5,624,902 ⁽³⁾	6.04
Axa Investment Managers ⁽⁴⁾	-	-	-	4,734,821 ⁽⁵⁾	5.04 ⁽⁵⁾	5.08	-	-	-	-	-
Treasury shares ⁽⁶⁾	600,230	0.64	0	608,389	0.65	0	818,858	0.87	818,858	0	0
Public	93,286,271	99.36	100	82,876,974	88.27	88.85	87,442,741	93.14	87,442,741	87,442,741	93.96
o/w bearer shares	92,608,268	98.64	99.27	82,077,340	87.42	87.99	86,519,067	92.15	86,519,067	86,519,067	92.96
o/w registered shares	678,003	0.72	0.73	799,634	0.85	0.86	923,674	0.98	923,674	923,674	0.99
TOTAL	93,886,501	100	100	93,886,501	100	100	93,886,501	100	93,886,501	93,067,643	100

* Percentage of voting rights exercisable at General Meetings in relation to theoretical voting rights (treasury shares held by Mercialis are deprived of voting rights).

(1) Acting on behalf of clients and funds under management.

(2) Information as of December 19, 2023 based on the statutory threshold crossing declaration dated December 20, 2023.

(3) Information as of November 19, 2024 based on the statutory threshold crossing declaration dated November 20, 2024.

(4) Acting on behalf of funds managed by it.

(5) Information as of December 15, 2023 based on the declaration of 223C2090 threshold crossing dated December 19, 2023.

(6) Shares acquired under the share buyback program and, in particular, the liquidity agreement (see § 7.1.2, p. 338 et seq.).

All declarations of threshold crossings made to the French Financial Markets Authority (AMF) can be found in § 7.2.3.1, B, p. 350 et seq.

7.2.3.1 Threshold crossings

A. Crossing of statutory thresholds

Article 11, paragraph II of the Company's articles of association includes the following provisions regarding the disclosure of threshold crossings:

"In addition to the statutory obligation to inform the Company when certain percentages of share capital and associated voting rights are reached, any individual or legal entity (including any intermediary holding shares belonging to persons domiciled outside France), either alone or in concert with other individuals or legal entities, who comes to hold or ceases to hold, through any means, 1% of the share capital or voting rights or any multiple thereof shall disclose to the Company, within five trading days of the crossing of either of these thresholds, by registered letter with acknowledgment of receipt, the number of shares or voting rights that it holds.

In order to determine these thresholds, consideration is made of shares assimilated to owned shares and the voting rights attached thereto pursuant to the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code.

In each declaration referred to above, the person making said declaration must certify that the declaration covers all of the securities held or possessed as defined by the previous article. The following must also be specified: the shareholders' identity as well as that of the natural persons or legal entities acting together with said shareholder, the number of shares or voting rights they hold directly or indirectly, alone or with other parties, the date and the source of the threshold crossing, and, when applicable, the information referred to in the third paragraph of Article L. 233-7 of the French Commercial Code.

These disclosure obligations do not apply to shareholders holding more than 50% of the voting rights, either alone or in concert.

If such shareholdings are not disclosed, the voting rights associated with the shares that exceed the disclosure threshold shall be suspended at General Meetings if, during such a Meeting, the failure to disclose is established, and if one or more shareholders jointly holding at least 5% of the share capital or voting rights request it. Similarly, voting rights that have not been properly disclosed may not be exercised.

The voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the failure to disclose to the Company was rectified."

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B. Crossing of legal thresholds

During the period from January 1, 2024 to February 28, 2025, the following threshold crossings were declared to the French Financial Markets Authority (AMF):

Declaring party	AMF declaration number	Date of declaration	Date of crossing	Legal threshold	Direction of crossing	% of capital	% of voting rights
Axa Real Estate Investment Managers SGP S.A.	224C0054	01/10/2024	01/08/2024	5% of share capital and voting rights	Up	5.05%	5.05%
Axa Real Estate Investment Managers SGP S.A.	224C0073	01/11/2024	01/10/2024	5% of share capital and voting rights	Down	4.99%	4.99%
Axa Real Estate Investment Managers SGP S.A.	224C0094	01/16/2024	01/12/2024	5% of share capital and voting rights	Up	5.12%	5.12%
Axa Real Estate Investment Managers SGP S.A.	224C0928	06/17/2024	06/12/2024	5% of share capital and voting rights	Down	4.97%	4.97%
Axa Real Estate Investment Managers SGP S.A.	224C1116	07/05/2024	07/03/2024	5% of share capital and voting rights	Up	5.02%	5.02%
Axa Real Estate Investment Managers SGP S.A.	224C1376	08/02/2024	07/30/2024	5% of share capital and voting rights	Down	4.96%	4.96%
Axa Investment Managers, acting on behalf of the funds it manages	224C1512	08/28/2024	08/26/2024	5% of share capital and voting rights	Down	4.92%	4.92%

The declarations were made on the basis of the information provided by the Company, pursuant to the provisions of Article L. 233-8 of the French Commercial Code and Article 223-16 of the General Regulations of the French Financial Markets Authority (AMF), at the date of declaration of the crossing of the threshold. The total number of voting rights published monthly is calculated, in accordance with Article 223-11 of the General Regulations of the French Financial Markets Authority (AMF), i.e. based on all shares potentially carrying voting rights, including shares for which voting rights are withdrawn (treasury shares).

7.2.3.2 Shareholders' agreements

To the Company's knowledge, there were no shareholder agreements in effect at February 29, 2025.

To the Company's knowledge, more broadly, there is no agreement whose existence may lead to a change of ownership.

7.2.3.3 Shares held by directors and officers

At December 31, 2024, shares held directly by Mercialis directors and officers represented 0.263% of the share capital and voting rights at the General Meeting.

More specifically, at December 31, 2024:

- the shares held by Éric Le Gentil, Chairman of the Board of Directors, represented 0.031% of the share capital and voting rights at the General Meeting;
- the shares held by Vincent Ravat, Chief Executive Officer, represented 0.131% of the share capital and voting rights at the General Meeting;
- the shares held by Elizabeth Blaise, Deputy Chief Executive Officer, represented 0.074% of the share capital and voting rights at the General Meeting.

7.2.3.4 Declarations by executives

The transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out in 2024 and having been the subject of a declaration are as follows:

Date of declaration	Persons concerned	Financial instrument	Type of transaction	Volume	Unit price (in euros)
04/23/2024	Vincent Ravat, Chief Executive Officer	Shares	Vesting ⁽¹⁾	59,516	10.90
04/23/2024	Elizabeth Blaise, Deputy Chief Executive Officer	Shares	Vesting ⁽¹⁾	35,596	10.90

(1) Vesting of shares within the context of bonus share plans.

7.2.3.5 Employee shareholding

At December 31, 2024, employees held 72,723 shares representing 0.08% of the share capital and voting rights. These registered shares are the result of a bonus share issue authorized by an Extraordinary General Meeting held after August 6, 2015 (Macron law), as no Mercialis shares are held in connection with a Company savings plan or any mutual funds.

7.2.3.6 Pledged shares

To the best of the Company's knowledge, there were pledges on 649 Mercialis registered shares at December 31, 2024.

7.2.4 Securities not representing share capital

None.

7.2.5 Stock options, stock warrants and bonus share plans

7.2.5.1 Stock options

No stock option plan relating to the Company's shares was in effect in 2024.

7.2.5.2 Stock warrants

No stock warrant plan relating to the Company's shares was in effect in 2024.

7.2.5.3 Bonus share plans

Using the authorization granted by the Extraordinary General Meeting, the Board of Directors has set up bonus share plans for existing shares, without dilutive impact on the share capital.

Details of the various plans in effect as at December 31, 2024 are presented in the table below:

Date of the General Meeting	Date of the Board of Directors' meeting/ Date of award	Vesting date of bonus shares awarded	Date after which shares may be sold	Number of shares awarded by the Board of Directors	Number of canceled share rights	Outstanding number of shares to be awarded at year-end
04/22/2021	04/28/2022	04/28/2025 ⁽¹⁾	04/29/2027	120,437	0	120,437
04/22/2021	04/28/2022	04/28/2025 ⁽¹⁾	04/29/2027	60,000	1,500	58,500
04/27/2023	04/27/2023	04/27/2026 ⁽²⁾	04/28/2028	120,240	0	120,240
04/27/2023	04/27/2023	04/27/2026 ⁽²⁾	04/28/2028	63,000	1,500	61,500
04/27/2023	04/27/2023	04/27/2025 ⁽³⁾	04/28/2025	15,500	4,900	10,600
04/27/2023	04/25/2024	04/25/2027 ⁽⁴⁾	04/26/2029	103,748	0	103,748
04/27/2023	04/25/2024	04/25/2027 ⁽⁴⁾	04/26/2029	61,950	0	61,950
04/27/2023	04/25/2024	04/25/2026 ⁽³⁾	04/26/2026	15,100	1,800	13,300
TOTAL				559,975	9,700	550,275

(1) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date, and subject to the fulfillment of three performance criteria:

- (i) the relative performance of Mercialis shares, including dividends (relative TSR) compared to the performance of a specific panel of comparable companies at January 1, 2022, measured between January 1, 2022 and December 31, 2024, for 33.33% of the initial allocation,
- (ii) FFO growth (now NRE) measured as the 3-year annual average (CAGR) between January 1, 2022 and December 31, 2024, for 33.33% of the initial allocation, and
- (iii) the 3-year reduction in carbon intensity per square meter on scopes 1 & 2 on the current scope of the portfolio, using the market-based method, measured between January 1, 2022 and December 31, 2024, for the remaining 33.33% of the initial allocation.

(2) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date, and subject to the fulfillment of three performance criteria:

- (i) the relative performance of Mercialis shares, including dividends (relative TSR) compared to the performance of a specific panel of comparable companies at January 1, 2023, measured between January 1, 2023 and December 31, 2025, for 33.33% of the initial allocation,
- (ii) FFO growth (now NRE) measured as the 3-year annual average (CAGR) between January 1, 2023 and December 31, 2025, for 33.33% of the initial allocation, and
- (iii) the 3-year reduction in carbon intensity per square meter on scopes 1 & 2 on the current scope of the portfolio, using the market-based method, measured between January 1, 2023 and December 31, 2025, for the remaining 33.33% of the initial allocation.

(3) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date.

(4) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date, and subject to the fulfillment of four performance criteria:

- (i) the absolute performance of the Mercialis share, including dividends (TSR), measured between January 1, 2024 and December 31, 2026, for 20% of the initial allocation;
- (ii) the relative performance of Mercialis shares, including dividends (relative TSR) compared to the performance of a specific panel of comparable companies at January 1, 2024, measured between January 1, 2024 and December 31, 2026, for 25% of the initial allocation;
- (iii) NRE growth measured as the 3-year annual average (CAGR) between January 1, 2024 and December 31, 2026, for 25% of the initial allocation; and
- (iv) the 3-year reduction in carbon intensity per square meter on scopes 1 & 2 on the current scope of the portfolio, using the market-based method, measured between January 1, 2024 and December 31, 2026, for the remaining 30% of the initial allocation.

During the 2024 fiscal year, two bonus share plans implemented on April 22, 2021 and one bonus share plan implemented on April 28, 2022 resulted in the vesting of shares under the following conditions:

Date of the General Meeting	Date of the Board of Directors' meeting/ Date of award	Vesting date of bonus shares awarded	Date after which shares may be sold	Number of shares awarded by the Board of Directors	Number of canceled share rights	Number of shares vested in fiscal year 2024
04/22/2021	04/22/2021	04/22/2024 ⁽¹⁾	04/23/2026	95,112	0	95,112
04/22/2021	04/22/2021	04/22/2024 ⁽¹⁾	04/23/2026	49,074	21,920	27,154
04/22/2021	04/28/2022	04/28/2024 ⁽²⁾	04/29/2024	13,500	4,400	9,100
TOTAL				157,686	26,320	131,366

(1) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date, and subject to the fulfillment of three performance criteria:

- (i) the relative performance of Mercialis shares, including dividends (relative TSR) compared to the performance of a specific panel of comparable companies at January 1, 2021, measured between January 1, 2021 and December 31, 2023, for 33.33% of the initial allocation;
- (ii) FFO growth (now NRE) measured as the 3-year annual average (CAGR) between January 1, 2021 and December 31, 2023, for 33.33% of the initial allocation; and
- (iii) the rate of certification of the portfolio as a percentage of its value, for 33.33% of the initial allocation.

(2) Bonus shares become vested only if the beneficiary is still working for the Company on the vesting date.



€94.0 M

of dividends paid
in respect of 2024



+3.9%

organic growth
in rental revenues



+1.3%

portfolio growth
(on a like-for-like basis)

08.

GENERAL MEETING

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8.1 Agenda

Ordinary General Meeting

- Approval of the separate financial statements for the fiscal year ended December 31, 2024 (1st resolution);
- Approval of the consolidated financial statements for the fiscal year ended December 31, 2024 (2nd resolution);
- Appropriation of net income for the fiscal year – Setting the dividend (3rd resolution);
- Renewal of the directorships of Éric Le Gentil, Stéphanie Bensimon, Élisabeth Cunin and Pascale Roque (4th to 7th resolutions);
- Appointment of Arnaud Le Mintier de la Motte-Basse as a director (8th resolution);
- Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to compensation paid during or awarded in respect of fiscal year 2024 to the corporate officers (9th resolution);
- Approval of the total compensation and benefits of any kind paid during or awarded in respect of fiscal year 2024 to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (10th to 12th resolutions);
- Approval of the compensation policy for corporate officers (13th to 16th resolutions);
- Approval of the Statutory Auditors' special report on regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code (17th resolution);
- Appointment of Ernst & Young et Autres as Statutory Auditor certifying the sustainability information (18th resolution);
- Appointment of KPMG S.A. as Statutory Auditor certifying the sustainability information (19th resolution);
- Authorization for the Company to purchase treasury shares (20th resolution);

Extraordinary General Meeting

- Authorization granted to the Board of Directors to reduce the share capital by canceling treasury shares (21st resolution);
- Delegation of authority granted to the Board of Directors to increase the share capital through the issue, with preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities (22nd resolution);
- Delegation of authority granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, by way of a public offer other than those referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, with an optional priority period (23rd resolution);
- Delegation of authority granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, by way of a public offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code (24th resolution);
- Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase carried out with or without preferential subscription rights (25th resolution);
- Delegation of authority granted to the Board of Directors to increase the share capital through the incorporation of reserves, profits, premiums or any other sums that may be capitalized (26th resolution);
- Delegation of authority granted to the Board of Directors to issue, without preferential subscription rights, shares or securities giving access to the share capital in the event of a public exchange offer initiated by the Company (27th resolution);
- Delegation of powers granted to the Board of Directors, up to a limit of 10% of the Company's share capital, to issue shares or securities giving access to the share capital, in exchange for contributions in kind of equity securities or securities giving access to the share capital (28th resolution);
- Overall limit on financial authorizations granted to the Board of Directors (29th resolution);
- Delegation of authority granted to the Board of Directors to increase the share capital or sell treasury shares, without preferential subscription rights for shareholders, in favor of members of a Company savings plan (30th resolution);
- Authorization granted to the Board of Directors to allocate existing or new bonus shares in the Company to employees and executive corporate officers of the Company and its related companies; shareholders automatically waive their preferential subscription rights (31st resolution);
- Amendment of Article 18 and deletion of Article 35 of the articles of association (32nd and 33rd resolutions).

Ordinary General Meeting

- Powers for completion of formalities (34th resolution).

8.2 Board of Directors' report and draft resolutions

8.2.1 Resolutions within the remit of the Ordinary General Meeting

Resolutions 1 and 2 – Approval of the financial statements for the fiscal year

EXPLANATORY STATEMENT

Under the 1st and 2nd resolutions, the shareholders are invited to approve the Company's separate financial statements and then its consolidated financial statements to December 31, 2024, as well as the transactions reflected in these financial statements:

- the annual financial statements show a net income of Euro 44,734,425.59; and
- the consolidated financial statements show a net income attributable to owners of the parent of Euro 53,759,000.

The financial statements for the fiscal year do not take account of the non-deductible expenses referred to in Article 39-4 of the French General Tax Code.

These financial statements were certified without qualification by the Statutory Auditors (see Statutory Auditors' reports in § 3.2.3, p. 210 et seq., and § 3.1.3, p. 186 et seq.).

FIRST RESOLUTION

Approval of the separate financial statements for the fiscal year ended December 31, 2024

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the separate financial statements for the fiscal year ended December 31, 2024 as they are presented to it, together with all the transactions reflected or mentioned in these reports, showing a profit of Euro 44,734,425.59.

The General Meeting acknowledges that the financial statements for the past fiscal year do not take account of the non-deductible expenses referred to in Article 39-4 of the French General Tax Code.

SECOND RESOLUTION

Approval of the consolidated financial statements for the fiscal year ended December 31, 2024

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and Statutory Auditors, approves the consolidated financial statements for the fiscal year ended December 31, 2024, as they are presented to it, together with all of the transactions reflected or mentioned in these reports, showing consolidated net income attributable to owners of the parent of Euro 53,759,000.

Resolution 3 – Appropriation of the net income for the fiscal year – Setting the dividend

EXPLANATORY STATEMENT

Under the 3rd resolution, the Board of Directors proposes that you approve the distribution of a dividend of Euro 1 per share.

The ex-dividend date will be May 2, 2025 and the dividend will be paid on May 6, 2025.

THIRD RESOLUTION

Appropriation of the net income for the fiscal year – Setting the dividend

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to allocate the net income for the fiscal year ended 31 December 2024 as follows:

Net income for the year		€44,734,425.59
Retained earnings	(+)	€138,789,149.13
Distributable income	(=)	€183,523,574.72
Dividend*	(-)	€93,886,501.00
Appropriation to "Retained earnings"	(=)	€89,637,073.72

* Based on 93,886,501 shares, including treasury shares, as of December 31, 2024.

Each share will accordingly receive a dividend of Euro 1. The ex-dividend date will be May 2, 2025 and its payment will take place on May 6, 2025.

In the event of a change in the number of shares eligible for dividends between December 31, 2024 and the ex-dividend date, the total amount of the dividend will be adjusted accordingly. The amount allocated to "Retained earnings" will then be determined on the basis of the dividend actually paid.

The amount of the dividend corresponding to the treasury shares held on the ex-dividend date will be allocated to the "Retained earnings" account.

The distribution under the exempt sector represents 100% of the amount of the dividend.

Distributions of dividends from exempt profits of listed real estate investment companies (SIIIC) do not qualify for the 40% deduction mentioned in Article 158, 3.2° of the French General Tax Code. Only distributions of dividends from the non-exempt profits of SIIICs are eligible for this reduction.

The General Meeting notes that the dividends distributed in respect of the last three fiscal years were as follows:

Fiscal year	Dividend per share	Dividend distributed eligible for the 40% allowance	Dividend distributed not eligible for the 40% allowance
December 31, 2023	€0.99	None	€0.99
December 31, 2022	€0.96	None	€0.96
December 31, 2021	€0.92	None	€0.92

Resolutions 4 to 8 - Renewal of the directorships of four directors and appointment of one director

EXPLANATORY STATEMENT

The Board of Directors is currently composed of nine directors.

Following the recommendation of the Appointments, Compensation and Governance Committee, the Board proposes that you renew the directorships of four directors:

- Éric Le Gentil, Chairman of the Board (4th resolution);
- Stéphanie Bensimon, independent director (5th resolution);
- Élisabeth Cunin (6th resolution);
- Pascale Roque, independent director (7th resolution).

These directorships would be for a three-year term, with the exception of that of Pascale Roque, which would be for one year. The Board ensures that directorships are staggered so as to avoid them all coming up for renewal at the same time.

Further details about these four directors can be found in § 4.1.1.2, B p. 225, 230, 233 and 235 of the 2024 Universal Registration Document.

The 8th resolution proposes the appointment of a new independent director, Arnaud Le Mintier. Further details about him can be found in § 4.1.1.2, C, p. 236 of the 2024 Universal Registration Document.

If you approve these proposals, the Board will comprise 10 directors, 5 of whom are women and 5 of whom are men. 70% of its directors will be independent.

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FOURTH RESOLUTION

Renewal of the directorship of Éric Le Gentil

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to renew the directorship of Éric Le Gentil for a term of three years, i.e. until the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

FIFTH RESOLUTION

Renewal of the directorship of Stéphanie Bensimon

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to renew the

directorship of Stéphanie Bensimon for a term of three years, i.e. until the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

SIXTH RESOLUTION

Renewal of the directorship of Élisabeth Cunin

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to renew the directorship of Élisabeth Cunin for a period of three years, i.e. until the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

SEVENTH RESOLUTION

Renewal of the directorship of Pascale Roque

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to renew the directorship of Pascale Roque for a period of one year, i.e. until the end of the Ordinary General Meeting to be held in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

EIGHTH RESOLUTION

Appointment of Arnaud Le Mintier de la Motte-Basse as a director

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint Arnaud Le Mintier de la Motte-Basse as Director for a term of three years, i.e. until the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

Resolution 9 - Approval of the information relating to compensation paid to corporate officers during or awarded in respect of fiscal year 2024

EXPLANATORY STATEMENT

Under the 9th resolution, pursuant to Article L. 22-10-34 I of the French Commercial Code, the Board of Directors asks you to approve all the information referred to in Article L. 22-10-9 I of the French Commercial Code regarding the compensation paid to the Company's corporate officers during the fiscal year ended December 31, 2024 or awarded in respect of the same fiscal year for their office.

All information relating to the 2024 compensation policy for corporate officers is presented in the corporate governance section of the 2024 Universal Registration Document (see § 4.2, p. 255 et seq.).

NINTH RESOLUTION

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to compensation paid to corporate officers during or awarded in respect of the fiscal year ended December 31, 2024

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' Corporate Governance Report, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code, presented in the 2024 Universal Registration Document in § 4.2.

Resolutions 10 to 12 - Approval of the total compensation and benefits of any kind paid during or awarded in respect of fiscal year 2024 to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer

EXPLANATORY STATEMENT

Under the 10th to 12th resolutions, pursuant to Article L. 22-10-34 II of the French Commercial Code, the Board of Directors asks you to approve the fixed components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to executive corporate officers.

These components were determined in accordance with the compensation policy approved by the General Meeting of April 25, 2024. Further details are provided in the 2024 Universal Registration Document:

- for Éric Le Gentil, Chairman of the Board of Directors, in § 4.2.2.2, B p. 264 et seq., and in Appendix 1 of Chapter 8, p. 379;
- for Vincent Ravat, Chief Executive Officer, in § 4.2.2.4, B p. 270 et seq., and in Appendix 2 of Chapter 8, p. 380 et seq.;
- for Elizabeth Blaise, Deputy Chief Executive Officer, in § 4.2.2.6, B p. 282 et seq., and in Appendix 3 of Chapter 8, p. 382 et seq.

TENTH RESOLUTION

Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Éric Le Gentil, Chairman of the Board of Directors

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, pursuant to Article L. 22-10-34 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Éric Le Gentil, by virtue of his office as Chairman of the Board of Directors, as presented in the 2024 Universal Registration Document in § 4.2.2.2, B.

ELEVENTH RESOLUTION

Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended on December 31, 2024 to Vincent Ravat, Chief Executive Officer

The General Meeting, ruling under the quorum and majority

conditions required for Ordinary General Meetings, pursuant to Article L. 22-10-34 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Vincent Ravat, by virtue of his office as Chief Executive Officer, as presented in the 2024 Universal Registration Document in § 4.2.2.4, B.

TWELFTH RESOLUTION

Approval of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Elizabeth Blaise, Deputy Chief Executive Officer

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, pursuant to Article L. 22-10-34 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2024 to Elizabeth Blaise, by virtue of her office as Deputy Chief Executive Officer, as presented in the 2024 Universal Registration Document in § 4.2.2.6, B.

Resolutions 13 to 16 – Approval of the compensation policy for corporate officers

EXPLANATORY STATEMENT

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy for corporate officers must be submitted to the General Meeting for approval at least each year. On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of February 12, 2025, approved this policy, which you are asked to approve in the 13th to 16th resolutions.

All the elements relating to this policy are presented in the 2024 Universal Registration Document:

- for the directors, in § 4.2.1.1, p. 255, and § 4.2.1.3, p. 258;
- for Éric Le Gentil, Chairman of the Board of Directors, in § 4.2.2.3, p. 266;
- for Vincent Ravat, Chief Executive Officer, in § 4.2.2.5, p. 274 et seq.;
- for Elizabeth Blaise, Deputy Chief Executive Officer, in § 4.2.2.7, p. 286 et seq.

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THIRTEENTH RESOLUTION

Approval of the compensation policy for directors

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, pursuant to the provisions of Article L. 22-10-8 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the compensation policy for directors, by virtue of their offices, as presented in the 2024 Universal Registration Document, in § 4.2.1.1 and 4.2.1.3.

FOURTEENTH RESOLUTION

Approval of the compensation policy for Éric Le Gentil, Chairman of the Board of Directors

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, pursuant to the

provisions of Article L. 22-10-8 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the compensation policy for Éric Le Gentil, by virtue of his office as Chairman of the Board of Directors, as presented in the 2024 Universal Registration Document, in § 4.2.2.3.

FIFTEENTH RESOLUTION

Approval of the compensation policy for Vincent Ravat, Chief Executive Officer

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, pursuant to the provisions of Article L. 22-10-8 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the compensation policy for Vincent Ravat, by virtue of his office as Chief Executive Officer, as presented in the 2024 Universal Registration Document, in § 4.2.2.5.

SIXTEENTH RESOLUTION

Approval of the compensation policy for Elizabeth Blaise, Deputy Chief Executive Officer

The General Meeting, ruling under the quorum and majority

conditions required for Ordinary General Meetings, pursuant to the provisions of Article L. 22-10-8 II of the French Commercial Code, having reviewed the Board of Directors' Corporate Governance Report, approves the compensation policy for Elizabeth Blaise, by virtue of her office as Deputy Chief Executive Officer, as presented in the 2024 Universal Registration Document, in § 4.2.2.7.

Resolution 17 – Statutory Auditors' special report on regulated agreements

EXPLANATORY STATEMENT

Under the 17th resolution, the Board of Directors asks you to approve the regulated agreements entered into or performed by the Company during the fiscal year ended December 31, 2024 and mentioned in the Statutory Auditors' Special Report (see p. 332).

SEVENTEENTH RESOLUTION

Approval of the Statutory Auditors' Special Report on regulated agreements covered by Articles L. 225-38 et seq. of the French Commercial Code

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Statutory Auditors' special report on the agreements subject to the provisions of Articles L. 225-38 and L. 225-40 of the French Commercial Code, approves the aforementioned report in all its provisions as well as the new agreements referred to, approved by the Board of Directors during the fiscal year ended December 31, 2024.

Resolutions 18 and 19 - Appointment of Statutory Auditors certifying sustainability information

EXPLANATORY STATEMENT

The Company will publish, from 2026, sustainability information for the 2025 fiscal year.

The Board of Directors proposes the appointment as Statutory Auditors certifying the sustainability information:

- of Ernst & Young et Autres, by the 18th resolution, and
- KPMG S.A., by the 19th resolution,

with effect from December 31, 2025, subject to the existence of a legal obligation at that date to include sustainability information in the management report for the 2025 fiscal year and therefore to have this certified.

This appointment would be for a period equivalent to that remaining on the mandate for the certification of the financial statements. This mandate would expire at the end of the General Meeting to be held in 2028 to approve the financial statements for the 2027 fiscal year.

EIGHTEENTH RESOLUTION

Appointment of Ernst & Young et Autres as Statutory Auditors certifying the sustainability information

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint Ernst & Young et Autres as Statutory Auditor certifying the sustainability information, with effect from December 31, 2025, subject to the existence of a legal obligation at that date to include sustainability information in the management report for the 2025 fiscal year and therefore to have this certified.

The term of this appointment will be equivalent to that remaining on the mandate for the certification of the financial statements, i.e. until the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ended December 31, 2027.

NINETEENTH RESOLUTION

Appointment of KPMG S.A. as Statutory Auditor certifying the sustainability information

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint KPMG S.A. as Statutory Auditor certifying the sustainability information, with effect from December 31, 2025, subject to the existence of a legal obligation at that date to include sustainability information in the management report for the 2025 fiscal year and therefore to have this certified.

The term of this appointment will be equivalent to that remaining on the mandate for the certification of the financial statements, i.e. until the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ended December 31, 2027.

Resolution 20 – Purchase by the Company of treasury shares

EXPLANATORY STATEMENT

As every year, the Board of Directors asks you to renew the authorization given to the Company to purchase treasury shares under a buyback program.

Details of the objectives of the share buyback program are provided below in the 20th resolution and in the description of the share buyback program presented in § 7.1.2.3, p. 339 et seq. of the 2024 Universal Registration Document.

In the event of a public offer relating to the shares or securities issued by the Company, the Company may only use this authorization to meet its commitments regarding the delivery of securities, particularly in the context of bonus share award plans undertaken and announced before the launch of the tender offer.

Treasury share transactions in 2024 were as follows:

- purchase of 4,309,434 shares; and
- sale of 4,167,599 shares.

At December 31, 2024, the Company held 818,858 shares, i.e. 0.87% of the share capital, of which:

- 400,408 shares allocated for use in any stock option plan, any savings plan or any bonus share plan; and
- 418,450 shares under the liquidity agreement.

Authorization would be granted within the following limits:

Authorization ceiling

- 10% of the share capital;
- Maximum buyback price: Euro 16 per share (excluding acquisition costs);
- Indicative maximum budget, based on the share capital and treasury shares held at December 31, 2024: Euro 150.2 million, corresponding to 9,388,650 shares.

Term of the authorization

Eighteen months

TWENTIETH RESOLUTION

Authorization for the Company to purchase its treasury shares

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' Report, authorizes the Board of Directors to purchase or arrange for the purchase of Company shares in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, Articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (AMF), and Regulation (EU) 596/2014 of April 16, 2014 and its Delegated Regulation (EU) 2016/1052 of March 8, 2016, so as:

- to maintain liquidity and stimulate the market for the Company's securities through an investment services provider acting independently in the name and on behalf of the Company, within the framework of a liquidity agreement compliant with a Code of Ethics recognized by the French Financial Markets Authority (AMF);
- to implement any savings plan in accordance with Articles L. 3332-1 et seq. of the French Labor Code or any bonus share plans pursuant to the provisions of Articles L. 22-10-59, L. 22-10-60 and L. 225-197-1 et seq. of the French Commercial Code or any other share-based compensation scheme;
- to deliver them upon exercise of rights attached to marketable securities giving access to the Company's share capital;
- to keep them with a view to subsequently using them as payment or exchange in connection with, or following, any external growth transaction;

- to cancel all or part of them in order to optimize net earnings per share in connection with a share capital reduction in the manner specified by law;
- to conduct any further market practice authorized by the French Financial Markets Authority and generally to carry out any transaction compliant with applicable regulations.

The acquisition, disposal, transfer or exchange of these shares may be carried out, on one or more occasions, by any means and in particular by trading on the regulated market, multilateral trading facilities or over the counter (OTC), including by block transaction or systematic insourcing. These means include the use of any derivative financial instrument and the implementation of options strategies, in accordance with the conditions authorized by the relevant market authorities.

The purchase price of the shares shall not exceed Euro sixteen (16) (excluding acquisition costs) per share, with a par value of Euro one (1) each.

This authorization can be implemented up to a maximum number of shares representing 10% of the Company's share capital, taking into account transactions affecting it subsequent to the date of this General Meeting, i.e. 9,388,650 shares based on the share capital at December 31, 2024, for a maximum amount of Euro 150.2 million. When the Company's shares are purchased under a liquidity agreement, the number of these shares taken into account when calculating the 10% threshold mentioned above will correspond to the number of these shares purchased, net of the number of shares resold under the liquidity agreement during the authorization period. However, the number of shares acquired by the Company with a view to retaining them and subsequently delivering them in payment or exchange as part of a merger, spin-off or contribution may not exceed 5% of the share capital. Purchases made by the Company may not, under any circumstances, result in the Company holding, at any time whatsoever, more than 10% of the shares comprising its share capital.

The authorization granted to the Board of Directors is given for a period of eighteen months. It cancels, for the unused portion, the previous authorization of the same nature granted by the General Meeting of April 25, 2024, in its 17th resolution.

In the event of a public offer relating to the shares or marketable securities issued by the Company, the Company may only use this authorization to meet its commitments regarding the delivery of securities, particularly in the context of bonus share plans or strategic transactions undertaken and announced before the launch of the public offer.

Consequently, all powers are granted to the Board of Directors, with the option to delegate, to:

- implement this authorization;
- place all stock market orders;
- enter into any agreements with a view, in particular, to keeping registers of share purchases and sales;
- allocate or reallocate the shares acquired to the various objectives in accordance with applicable legal and regulatory conditions;
- complete all other formalities with the French Financial Markets Authority (AMF) and, in general, do whatever is necessary.

8.2.2 Resolutions within the remit of the Extraordinary General Meeting

Resolution 21 - Cancellation by way of a capital reduction of shares purchased by the Company

EXPLANATORY STATEMENT

The 21st resolution would allow the Board of Directors, if it deems it appropriate, to reduce the share capital, on one or more occasions, by canceling all or part of the shares that the Company may acquire pursuant to an authorization granted by the General Meeting of Shareholders.

Authorization ceiling

10% of share capital per 24-month period

Term of the authorization

Twenty-six months

TWENTY-FIRST RESOLUTION

Authorization granted to the Board of Directors to reduce the share capital by canceling treasury shares

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, authorizes the Board of Directors, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, to reduce the share capital at any time, on one or more occasions, by canceling, up to a maximum of 10% of the share capital as at the date of said cancellation (i.e. adjusted for transactions affecting the share capital since the entry into force of this resolution), shares acquired by the Company pursuant to an authorization granted by

the Ordinary General Meeting of Shareholders per 24-month period.

The General Meeting grants full powers to the Board of Directors, with the option to subdelegate under the conditions provided for by law, to carry out this or these transactions to reduce the share capital within the limits set above and in particular to record its completion and allocate the difference between the purchase price of the shares and their par value to the reserve or premium account of its choice, amend the articles of association and carry out any necessary formalities.

The authorization is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 17th resolution.

Resolution 22 - Capital increase with preferential subscription rights for shareholders

EXPLANATORY STATEMENT

Under the 22nd resolution, the Board of Directors proposes that you authorize it to issue, with preferential subscription rights for shareholders, Company shares or securities giving access to the share capital of the Company or other companies.

This delegation would be suspended during a public offer, unless authorized in advance by the General Meeting.

Delegation ceiling

- Capital increase: Euro 46.5 million in par value, i.e. less than 50% of the share capital at December 31, 2024
- Debt securities: Euro 200 million

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-SECOND RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital through the issue, with preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134, L. 22-10-49 and L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, its authority to take decide, on one or more occasions and at its sole discretion, in the proportions and at the times that it sees fit, both in France and abroad, to issue with preferential subscription rights:
 - Company shares or
 - any other securities referred to in Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or 3 or L. 228-94 paragraph 2 of the French Commercial Code giving access, by any means, immediately and / or in the future, to the share capital of the Company or other companies;
- resolves that the subscription may be made either in cash or by offsetting receivables;
- resolves that the securities thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or non-subordinated securities with a fixed or indefinite duration, and be denominated in euros or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

The issues of stock warrants on new Company shares may be carried out by way of a subscription offer or by the bonus allocation to owners of existing shares, it being specified that the Board of Directors will have the option to decide that the allocation rights forming fractional shares will not be negotiable and the corresponding securities will be sold.

The total nominal amount of Company shares that may be issued immediately and / or in the future under this delegation must not exceed forty-six million, five hundred thousand euros (Euro

46,500,000) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of additional shares to be issued in to preserve, in accordance with legal and regulatory provisions, and where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities.

The total nominal amount of Company debt securities that may be issued on the basis of this authorization must not exceed two hundred million euros (Euro 200 million) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

In the event of a subscription offer, the Board of Directors may, in accordance with the law, institute, if it deems it useful, a subscription right on a reducible basis under which the equity securities or other securities giving access to the share capital which have not been subscribed on an irreducible basis will be allocated to shareholders who have subscribed for a number of shares greater than the number to which they could subscribe on an irreducible basis, in proportion to the subscription rights they have, and in all cases, within the limit of their requests.

If the subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue, the Board of Directors may use, under the conditions provided for by law and in the order that it will determine one or both of the following options:

- limit the issue to the sum of subscriptions provided that this amounts to at least three quarters of the issue decided;
- freely distribute all or part of the unsubscribed shares;
- offer to the public, on the French or international market, all or part of the unsubscribed securities.

This delegation automatically includes, in favor of the holders of securities that may be issued and giving access to the Company's share capital, the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which said securities may give entitlement.

Within the limits set by the General Meeting, and in accordance with the law, the Board of Directors has all the powers, with the option to subdelegate:

- to decide to implement this delegation;
- to set the terms and conditions of the issue(s), the nature and characteristics, in particular the issue price with or without premium, of the shares and other securities to be issued and the date, even retroactive, from which the new shares will bear dividend rights, where applicable, and the terms and conditions

for the buyback or exchange of securities to be issued with a view to canceling them or not;

- to determine the payment method for the shares or securities giving access to the share capital to be issued immediately or in the future;
- to record the completion of the resulting capital increases, amend the articles of association and request the admission to trading, where applicable, of the shares and other securities thus issued on a regulated market.

In particular, the Board of Directors may:

- in the event of an immediate issue of debt securities, decide the amount, duration, issue currency, subordinated nature, fixed, variable, zero coupon, indexed or other interest rate and its date of payment, the terms of interest capitalization, the terms and conditions and fixed or variable redemption price, with or without premium, the terms of amortization depending on market conditions, of the loan(s), as well as the conditions under which they will give rights to Company shares and the other terms and conditions of the issue (including the granting of guarantees or security interests);
- modify, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with applicable formalities;

- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- suspend the exercise of the rights attached to these securities for a period set in compliance with legal and regulatory provisions;
- enter into all agreements, in particular, with any credit institution, take all measures and carry out all formalities to ensure the successful completion of any issue decided under this delegation;
- charge, where applicable, the costs of capital increases to the amount of the premiums relating to these increases and, if it deems it appropriate, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each issue.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 18th resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 23 - Capital increase with cancelation of preferential subscription rights for shareholders by way of a public offer other than those referred to in Article L. 411-2, 1° of the French Monetary and Financial Code

EXPLANATORY STATEMENT

The purpose of the 23rd resolution is to enable the Board of Directors to issue Company shares or securities giving access to the share capital of the Company or other companies, by way of a public offer, with the exception of those intended exclusively for qualified investors and / or a restricted circle of investors referred to in Article L. 411-2, 1° of the French Monetary and Financial Code.

The Board of Directors may establish a priority subscription period for shareholders on an irreducible and / or reducible basis.

This delegation would be suspended during a public offer, unless authorized in advance by the General Meeting.

The issue price of the securities would be set in such a way that the Company receives for each share issued an amount at least equal to the minimum provided for by the regulations in force on the date of issue, i.e. currently an amount equal to the weighted average of prices over the last three stock market trading sessions on the Euronext Paris regulated market preceding the start of the offer, less a 10% discount.

Delegation ceiling

- Capital increase: Euro 9.3 million in par value, i.e. less than 10% of the share capital at December 31, 2024
- Debt securities: Euro 200 million

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-THIRD RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, by way of a public offer other than those referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, with optional priority period

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, its authority to decide, on one or more occasions, in the proportions and at the times that it deems appropriate, both in France and abroad, the issue, by way of a public offer, other than those referred to in Article L. 411-2, 1° of the French Monetary and Financial Code:
 - Company shares or
 - securities referred to in Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or 3 or L. 228-94 paragraph 2 of the French Commercial Code giving access, by any means, immediately and / or in the future, to the share capital of the Company or other companies;
- resolves that the subscription may be made either in cash or by offsetting receivables;
- resolves that the securities thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or unsubordinated securities with a fixed or indefinite duration, and be denominated in euros or in any other currency or monetary unit established by reference to multiple currencies.

The General Meeting resolves to cancel shareholders' preferential subscription rights to the equity securities issued under this delegation. However, the General Meeting delegates to the Board of Directors the power to institute, if it deems it useful for all or part of an issue, a priority subscription period on an irreducible and / or reducible basis in favor of the shareholders, and to set the terms and conditions for their exercise, in accordance with applicable legal and regulatory provisions. This priority subscription will not give rise to the creation of negotiable rights, but may, if the Board of Directors deems it appropriate, be exercised on an irreducible or reducible basis.

The total nominal amount of Company shares that may be issued immediately and / or in the future under this delegation must not exceed nine million three hundred thousand euros (Euro 9,300,000) or the equivalent value on the same date in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities.

The total nominal amount of Company debt securities that may be issued on the basis of this authorization must not exceed two hundred million euros (Euro 200 million) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

The General Meeting resolves that if shareholder and public subscriptions do not absorb the entire issue of securities, the Board of Directors may use, in the order it determines, one or all of the following options:

- limit the issue to the sum of subscriptions provided that this amounts to at least three quarters of the issue decided;
- freely distribute all or part of the unsubscribed shares;
- offer to the public, on the French or international market, all or part of the unsubscribed securities.

The General Meeting delegates to the Board of Directors, at the time of any public exchange offer decided by the Company on its own securities, the power to deliver in exchange the securities referred to in Article L. 228-91 of the French Commercial Code, issued as part of this issue.

This delegation automatically includes, in favor of the holders of securities that may be issued and giving access to the Company's share capital, the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which said securities may give entitlement.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum required by the regulations in force on the date of the issue, currently set out in Articles L. 225-136, 1°, L. 22-10-52, paragraph 1 and R. 22-10-32 of the French Commercial Code, corresponding to the weighted average of prices over the last three stock market trading sessions on the Euronext Paris regulated market at the beginning of the public offer, less a maximum discount of 10%, and after the adjustment, if necessary, of this average in the event of a difference in the date of dividend rights.

The issue price of the securities giving access to the share capital and the number of shares to which these securities will give entitlement, to be set by the Board of Directors, will be such that the sum received immediately by the Company, plus, if applicable, that which may subsequently be received by the Company, i.e., for each share issued pursuant to the issue of these securities, is at least equal to the issue price defined in the previous paragraph.

Within the limits set by the General Meeting and in accordance with the law, the Board of Directors has all the powers, with the option to sub-delegate:

- to decide to implement this delegation;
- to set the terms of the issue(s), the nature and characteristics, in particular the issue price with or without a premium, of the shares and other securities to be issued and the date, even retroactive, from which the new shares will bear dividend rights, where applicable, and the terms and conditions for the buyback or exchange of securities to be issued with a view to canceling them or not;
- to determine the payment method for the shares or securities giving access to the share capital to be issued immediately or in the future;
- to record the completion of the resulting capital increases, amend the articles of association and request the admission to trading, where applicable, of the shares and other securities thus issued on a regulated market.

In particular, the Board of Directors may:

- in the event of an immediate issue of debt securities, decide the amount, duration, issue currency, subordinated nature, fixed, variable, zero coupon, indexed or other interest rate and its date of payment, the terms of interest capitalization, the terms and conditions and fixed or variable redemption price, with or without premium, the terms of amortization depending on market conditions, of the loan(s), as well as the conditions under which they will give rights to Company shares and the other terms and conditions of the issue (including the granting of guarantees or security interests);

- modify, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with applicable formalities;
- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- suspend the exercise of the rights attached to these securities for a period set in compliance with legal and regulatory provisions;
- enter into all agreements, in particular, with any credit institution, take all measures and carry out all formalities to ensure the successful completion of any issue decided under this delegation;
- charge, where applicable, the costs of capital increases to the amount of the premiums relating to these increases and, if it deems it appropriate, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each issue.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 19th resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 24 - Capital increase without preferential subscription rights through offers intended exclusively for qualified investors and / or a limited circle of investors acting on their own behalf in accordance with the provisions of Article L. 411- 2, 1° of the French Monetary and Financial Code

EXPLANATORY STATEMENT

The 24th resolution would allow the Board of Directors to issue Company shares or securities giving access to the share capital of the Company or other companies, by way of offers referred to in Article L. 411-2 10 of the French Monetary and Financial Code (private placements with qualified investors or a limited circle of investors provided that these investors are acting on their own behalf).

This delegation would be suspended during a public offer, unless authorized in advance by the General Meeting.

The issue price of the securities would be set in such a way that the Company receives for each share issued an amount at least equal to the minimum provided for by the regulations in force on the date of issue, i.e. currently an amount equal to the weighted average of prices over the last three stock market trading sessions on the Euronext Paris regulated market preceding the start of the offer, less a 10% discount.

Delegation ceiling

- Capital increase: Euro 9.3 million in par value, i.e. less than 10% of the share capital at December 31, 2024
- Debt securities: Euro 200 million

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-FOURTH RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, by way of a public offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-132, L. 225-135, L. 225-136, L. 22-10-49,

L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, its authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, to issue, by way of an offer referred to in Article L. 411-2, 1° of the French Monetary and Financial Code,
 - Company shares and / or
 - any other securities referred to in Articles L. 228-92 paragraph 1, L. 228-93 paragraph 1 or 3 or L. 228-94 paragraph 2 of the French Commercial Code giving access, by any means, immediately or in the future, to the share capital of the Company or other companies;
- resolves that the subscription may be made either in cash or by offsetting receivables;

- resolves that the securities thus issued may consist of debt securities or be associated with the issue of such securities or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or unsubordinated notes, with a fixed or indefinite term, and be denominated in euros or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

The total nominal amount of Company shares that may be issued immediately and / or in the future under this delegation must not exceed nine million three hundred thousand euros (euro 9,300,000) or the equivalent of this amount in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities. It is specified that in any event, the nominal amount of capital increases carried out pursuant to this resolution must not, in accordance with Article L. 225-136, 2° of the French Commercial Code, exceed 20% of the share capital per year.

The total nominal amount of Company debt securities that may be issued on the basis of this authorization must not exceed two hundred million euros (Euro 200 million) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

The General Meeting resolves to cancel shareholders' preferential subscription rights to shares and securities giving access to the share capital to be issued to qualified investors and / or to a restricted circle of investors acting on their own behalf, in accordance with the terms of Article L. 411-2, 1° of the French Monetary and Financial Code.

This delegation automatically includes, in favor of the holders of securities that may be issued and giving access to the Company's share capital, the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which said securities may give entitlement.

The Meeting resolves that if the subscriptions have not absorbed the entire issue of securities, the Board of Directors may use, in the order it determines, one and / or all of the following options:

- limit the issue to the sum of subscriptions provided that this amounts to at least three quarters of the issue decided;
- freely distribute all or part of the unsubscribed shares;
- offer to the public, on the French or international market, all or part of the unsubscribed securities.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum required by the regulations in force on the date of the issue, currently set out in Articles L. 225-136, 1°, L. 22-10-52, paragraph 1, and R. 22-10-32 of the French Commercial Code, corresponding to the weighted average of prices over the last three stock market trading sessions on the Euronext Paris regulated market prior to the start of the offer, less a 10% discount, and after the adjustment, where applicable, of this average in the event of a difference in the date of dividend rights.

The issue price of the securities giving access to the share capital and the number of shares to which these securities will give entitlement, to be set by the Board of Directors, will be such that the sum received immediately by the Company, plus, if applicable, that which may subsequently be received by the Company, i.e., for each share issued pursuant to the issue of these securities, is at least equal to the issue price defined in the previous paragraph.

Within the limits set by the General Meeting and in accordance with the law, the Board of Directors has all the powers, with the option to subdelegate, to implement this delegation, in particular:

- to set the terms of the issue(s), the nature and characteristics, in particular the issue price with or without a premium, of the shares and other securities to be issued and the date, even retroactive, from which the new shares will bear dividend rights, where applicable, and the terms and conditions for the buyback or exchange of securities to be issued with a view to canceling them or not,
- to determine the payment method for the shares or securities giving access to the share capital to be issued immediately or in the future,
- to record the completion of the resulting capital increases, amend the articles of association and request the admission to trading, where applicable, of the shares and other securities thus issued on a regulated market.

In particular, the Board of Directors may:

- in the event of an immediate issue of debt securities, decide the amount, duration, issue currency, subordinated nature, fixed, variable, zero coupon, indexed or other interest rate and its date of payment, the terms of interest capitalization, the terms and conditions and fixed or variable redemption price, with or without premium, the terms of amortization depending on market conditions, of the loan(s), as well as the conditions under which they will give rights to Company shares and the other terms and conditions of the issue (including the granting of guarantees or security interests);
- modify, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with applicable formalities;
- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- suspend the exercise of the rights attached to these securities for a period set in compliance with legal and regulatory provisions;
- enter into all agreements, in particular, with any credit institution, take all measures and carry out all formalities to ensure the successful completion of any issue decided under this delegation;
- charge, where applicable, the costs of capital increases to the amount of the premiums relating to these increases and, if it deems it appropriate, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each issue.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 20th resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 25 - Option to increase the amount of issues in the event of excess demand in the context of capital increases with or without shareholders' preferential subscription rights

EXPLANATORY STATEMENT

The purpose of the 25th resolution is to authorize the Board of Directors, in the context of capital increases carried out with or without preferential subscription rights (22nd to 24th resolutions), to increase the initial amount of the issues, in the event of excess demand.

The price would be the same as that used for the original issue.

This authorization would be suspended during a public offer, unless authorized in advance by the General Meeting.

Delegation ceiling

15% of the original issue

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-FIFTH RESOLUTION

Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase carried out with or without preferential subscription rights

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, in accordance with the provisions of Articles L. 225-129-2, L. 225-135-1, L. 22-10-49 and R. 225-118 of the French Commercial Code, its authority, at the time of any issue carried out pursuant to the 22nd, 23rd and 24th resolutions, to issue a greater number of shares or securities than that initially set:

- within the time and other limits provided for by the regulations applicable on the date of the issue, i.e. currently:
 - within thirty days of the end of the subscription period,
 - up to a maximum of 15% of the original issue, and
 - at the same price as that used for the original issue; and
- subject to the ceiling provided for in the resolution pursuant to which the issue is decided and the overall ceiling provided for in the 29th resolution.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 21st resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 26 - Capital increase by incorporation of reserves, profits, premiums or other

EXPLANATORY STATEMENT

The 26th resolution would allow the Board of Directors to increase the share capital by incorporating reserves, profits, premiums or other amounts that may be capitalized.

This authorization would be suspended during a public offer, unless authorized in advance by the General Meeting.

Delegation ceiling

Capital increase: Euro 46.5 million in par value (less than 50% of the share capital at December 31, 2024)

Duration of the delegation

Twenty-six months

TWENTY-SIXTH RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or any other sums that may be capitalized

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, in accordance with Articles L. 225-129, L. 225-129-2, L. 225-130, L. 22-10-49 and L. 22-10-50 of the French Commercial Code, delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, its authority to decide to increase the share capital, on one or more occasions, at the times and according to the terms and conditions it determines, by incorporation into the share capital of reserves, profits, premiums or other sums that may be capitalized:

- through the issue and bonus allocation of new equity securities;
- by increasing the nominal value of existing equity securities; or
- by a combination of these two methods.

The amount of the capital increase resulting from the issues carried out under this resolution must not exceed the nominal amount of forty-six million five hundred thousand euros (Euro 46,500,000) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities.

The General Meeting grants to the Board of Directors full powers, with the option to subdelegate, to implement this resolution, in particular to:

- determine all the terms and conditions of the authorized transactions and, in particular, decide the amount and nature of reserves and premiums to be incorporated, set the number of new equity securities to be issued or the amount by which the par value of existing equity securities making up the share capital will be increased, set the date, even retroactive, from which the new equity securities will bear dividend rights or the date from which the increase in the nominal value will take effect;
- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- determine the conditions for the use of rights forming fractional shares and, in particular, decide that these rights will not be negotiable or transferable and that the corresponding equity securities will be sold, the sums resulting from the sale being allocated to the holders of the rights within the period provided for by regulations, i.e. currently no later than 30 days after the date on which the whole number of equity securities allocated is recorded in their account;
- record the completion of the capital increase resulting from the issue of equity securities, amend the articles of association accordingly, request the admission to trading of the securities on a regulated market and carry out all necessary formalities of disclosure; and
- generally, take all measures and carry out all formalities required for the successful completion of each capital increase.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 22nd resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 27 - Capital increase as part of a public offer initiated by the Company

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EXPLANATORY STATEMENT

The purpose of the 27th resolution is to authorize the Board of Directors, for a period of 26 months, to issue shares or securities giving access to the Company's share capital in the event of a public offer implemented by the Company on the securities of another listed company. This option may prove necessary for the Company in the pursuit of its development strategy.

This authorization would be suspended during a public offer, unless authorized in advance by the General Meeting.

Delegation ceiling

- Capital increase: Euro 9.3 million, i.e. less than 10% of the share capital at December 31, 2024
- Debt securities: Euro 200 million

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-SEVENTH RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, in the event of a public exchange offer initiated by the Company

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-49, L. 22-10-54 and L. 228-91 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, the power to decide, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, the issue of:
 - Company shares and / or
 - any other securities giving access by any means, immediately or in the future, to the Company's share capital,

to remunerate securities contributed to a mixed or alternative public exchange offer initiated by the Company, in France or abroad, on the securities of a company whose shares are admitted to trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code;

- resolves that the securities thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or non-subordinated securities with a fixed or indefinite duration, and be denominated in euros or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

The General Meeting resolves to cancel, as necessary, shareholders' preferential subscription rights to these shares or securities.

The total nominal amount of Company shares that may be issued immediately and / or in the future under this delegation must not exceed nine million three hundred thousand euros (euro 9,300,000) or the equivalent of this amount in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities.

The total nominal amount of Company debt securities that may be issued on the basis of this authorization must not exceed two hundred million euros (Euro 200 million) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

This delegation automatically includes, in favor of the holders of securities that may be issued and giving access to the Company's share capital, the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which said securities may give entitlement.

The Board of Directors has full powers, with the option to subdelegate, to implement this delegation, and in particular to:

- set the exchange ratio and, where applicable, the amount of the cash balance to be paid;
- record the number of securities tendered for the exchange, determine the dates and conditions of issue, in particular the price, the date of dividend rights, the payment methods, the nature and characteristics of the securities to be issued;
- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- suspend, where applicable, the exercise of the rights attached to the securities to be issued in the cases and within the limits provided for by regulatory and contractual provisions and, where applicable, to postpone them;
- record on the liabilities side of the balance sheet the contribution premium to which all costs and duties incurred by the transaction may be charged;
- record the completion of the capital increases, amend the articles of association accordingly and carry out all formalities and declarations and request all authorizations that may prove necessary for the successful completion of the transactions authorized by this delegation and, in general, take any necessary steps.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 23rd resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 28 - Capital increase to remunerate contributions of securities granted to the Company

EXPLANATORY STATEMENT

The 28th resolution would allow the Board of Directors to issue shares or securities giving access to the Company's share capital in order to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital. This option may prove necessary for the Company in the pursuit of its development strategy.

This authorization would be suspended during a public offer, unless authorized in advance by the General Meeting.

Delegation ceiling

- Capital increase: Euro 9.3 million, i.e. less than 10% of the share capital at December 31, 2024
- Debt securities: Euro 200 million

The transactions will be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

TWENTY-EIGHTH RESOLUTION

Delegation of powers granted to the Board of Directors to increase the share capital through the issue, without preferential subscription rights, of shares and / or securities giving access, immediately or in the future, to the share capital and / or giving entitlement to the allocation of debt securities, with a view to remunerating contributions in kind consisting of equity securities or securities giving access to the share capital

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 225-147, L. 22-10-49 and L. 22-10-53 of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate under the conditions provided for by law, all powers to carry out a capital increase, by the issue of:
 - Company shares and / or
 - any other securities giving access, by any means, immediately or in the future, to the Company's share capital,

to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;

- resolves that the securities thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or non-subordinated securities with a fixed or indefinite duration, and be denominated in euros or the equivalent value in any other currency or monetary unit established by reference to multiple currencies;
- acknowledges the absence of preferential subscription rights for shareholders to these shares or securities.

The total nominal amount of Company shares that may be issued immediately and / or in the future under this delegation must not exceed nine million three hundred thousand euros (euro 9,300,000) or the equivalent of this amount in any other currency or monetary unit established by reference to multiple currencies, plus, where applicable, the nominal amount of the additional shares to be

issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of securities giving future access to the Company's equity securities.

The total nominal amount of Company debt securities that may be issued on the basis of this authorization must not exceed two hundred million euros (Euro 200 million) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies.

This delegation automatically includes, in favor of the holders of securities that may be issued and giving access to the Company's share capital, the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which said securities may give entitlement.

The Board of Directors has full powers, with the option to subdelegate, to implement this delegation, and in particular to:

- determine all the terms and conditions of the authorized transactions, in particular:
 - to approve the valuation of the contributions and the granting of special benefits and their value, including, if the contributors consent, the valuation of the contributions or the remuneration of special benefits,
 - to set the terms and conditions, nature and characteristics of the shares and other securities to be issued,
 - to allocate, where applicable, any issue premiums, and in particular all costs incurred by the capital increase;
- take all measures to protect the holders of rights and securities giving future rights to new Company shares, in compliance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment;
- suspend, where applicable, the exercise of the rights attached to the securities to be issued in the cases and within the limits provided for by regulatory and contractual provisions and, where applicable, to postpone them;
- record the definitive completion of the capital increases carried out under this delegation and amend the articles of association accordingly;
- carry out all formalities and declarations and request all authorizations that may prove necessary to carry out these contributions and, in generally, take any necessary steps.

This delegation is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 24th resolution.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation as from the filing by a third party of a draft public offer on the Company's shares until the end of the offer period.

Resolution 29 - Overall limit on financial authorizations

EXPLANATORY STATEMENT

The purpose of the 29th resolution is to limit the total amount of equity securities or debt securities that may be issued on the basis of the 22nd to 28th resolutions, with the exception of the 26th resolution relating to the capital increase by incorporation of reserves, profits, premiums or other.

Authorization ceilings

- Overall ceiling on capital increases: Euro 46.5 million, i.e. less than 50% of the share capital at December 31, 2024
- Overall ceiling for capital increases without preferential subscription rights: Euro 9.3 million, i.e. less than 10% of the share capital at December 31, 2024
- Overall ceiling on issues of debt securities: Euro 200 million

TWENTY-NINTH RESOLUTION

Overall limit on financial authorizations granted to the Board of Directors

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves that:

- the total nominal amount of debt securities that may be issued out on the basis of the 22nd, 23rd, 24th, 25th, 27th and 28th resolutions, or on the basis of similar resolutions that may succeed said resolutions during the validity of the this delegation, must not exceed two hundred (200) million euros or the equivalent value of this amount in any other currency or monetary unit established by reference to multiple currencies;
 - the total nominal amount of the capital increases that may be carried out, immediately and / or in the future, on the basis of the 22nd, 23rd, 24th, 25th, 27th and 28th resolutions, must not exceed:
 - forty-six million five hundred thousand euros (Euro 46,500,000) or the equivalent value in any other currency or monetary unit established by reference to multiple currencies,
 - it being specified that the total amount of capital increases that may be carried out, immediately and / or in the future, without preferential subscription rights, under the 23rd, 24th, 25th, 27th and 28th resolutions must not exceed nine million three hundred thousand euros (Euro 9,300,000) or the equivalent of this amount in any other currency or monetary unit established by reference to multiple currencies,
- increased, where applicable, for each of the amounts, by the nominal amount of the additional shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of the holders of securities giving future access to the Company's equity securities.

Resolution 30 - Capital increase reserved for members of a company savings plan

EXPLANATORY STATEMENT

Under the 30th resolution, the Board of Directors proposes that you authorize it to increase the share capital or to sell treasury shares for the benefit of members of a savings plan within the Company or companies related thereto.

You are asked to cancel the preferential subscription rights of shareholders to the shares and securities giving access to the share capital that may be issued under this authorization. The subscription price of the shares must not be lower than the average of the listed prices for the 20 stock market trading sessions preceding the date of the decision setting the opening date of the subscription period, less a discount not exceeding 30%, or 40% when the plan's lock-up period is greater than or equal to 10 years.

However, if it deems it appropriate, the Board may decide to reduce or eliminate the discount thus granted in order to take into account any applicable legal, regulatory or tax provisions under foreign law.

The Board of Directors may also decide to allocate bonus shares or other securities giving access to the Company's share capital, it being understood that the total benefit resulting from this allocation and, where applicable, from the matching contribution and the discount on the subscription price must not exceed legal or regulatory limits.

Ceiling

2% of the share capital on the day of the Meeting, excluding adjustments

Transactions will not be deducted from the ceilings provided for in the 29th resolution.

Duration of the delegation

Twenty-six months

THIRTIETH RESOLUTION

Delegation of authority granted to the Board of Directors to increase the share capital or sell treasury shares, without shareholders' preferential subscription rights, in favor of members of a company savings plan

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with the provisions of Articles L. 3332-1 et seq. of the French Labor Code and Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code, delegates to the Board of Directors, under the conditions provided for by law, with the option to subdelegate, its authority to decide, at its sole discretion, to increase the Company's share capital, on one or more occasions, by issuing equity securities or securities giving access to the Company's share capital, reserved for members of a savings plan within the Company or companies related thereto under the conditions set out in Article L. 233-16 of the French Commercial Code.

The total number of shares that may be issued under this authorization must not exceed 2% of the total number of shares representing the Company's share capital on the date of this Meeting, plus any additional shares to be issued to preserve the rights of holders of securities giving access to the Company's share capital, in accordance with legal and regulatory provisions, as well as applicable contractual provisions, it being specified that this ceiling is independent of the overall ceiling provided for in the 29th resolution of this Meeting.

The share subscription price, set in accordance with the provisions of Article L. 3332-19 of the French Labor Code, must not be more than 30% lower, or 40% lower when the plan's lock-up period is greater than or equal to 10 years, than an average of the listed prices of the Company's share for the 20 stock market trading sessions preceding the date of the decision setting the opening date for subscriptions, nor must it be higher than this average. The General Meeting expressly authorizes the Board of Directors, if it deems it appropriate, to reduce or eliminate the aforementioned discount, in order to take into account, in particular, any applicable legal, regulatory or tax provisions under foreign law.

The General Meeting also resolves that the Board of Directors may decide to allocate bonus shares or other securities giving access to the Company's share capital, it being understood that the total benefit resulting from this allocation and, where applicable, the matching contribution and the discount on the subscription price must not exceed legal or regulatory limits.

The General Meeting expressly resolves to cancel, in favor of the beneficiaries of any capital increases decided under this authorization, shareholders' preferential subscription rights to the shares or other securities giving access to the share capital that will be issued as well as to the Company shares to which the securities issued under this authorization may give entitlement; said shareholders also waiving, in the event of the allocation of bonus shares or other securities giving access to the share capital, any rights attached to said shares or securities, including the portion of reserves, profits or premiums that would be incorporated into the share capital.

The General Meeting authorizes the Board of Directors, in accordance with and under the conditions of Article L. 225-135-1 of the French Commercial Code, to issue a higher number of shares than that initially set at the same price as that used for the original issue within the limit of the ceiling provided for above.

The General Meeting grants full powers to the Board of Directors, with the option to delegate or subdelegate under the conditions provided for by law, to implement this authorization and to carry out this or these issues within the limits set above, on the dates, within the deadlines and in accordance with the terms and conditions that it will determine in compliance with statutory and legal requirements and more specifically:

- determine whether the issues could take place directly for the benefit of the beneficiaries or through collective bodies, and set the scope of the capital increase reserved for members of a savings plan;
- set the amounts of capital increases, the terms and conditions of issue, the characteristics of the shares and, where applicable, of other equity securities, the dates and duration of the subscription period, the terms and conditions, if any, granted to subscribers to pay up their shares, the seniority conditions that must be met by subscribers of new shares;

- on these decisions alone, after each capital increase, charge the costs of the capital increases to the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital;
 - record the amount of capital increases up to the amount of shares that will be effectively subscribed and amend the articles of association as a result of direct or deferred capital increases; and
 - generally speaking, enter into any agreements, take any measures and carry out any formalities necessary in relation to the issue, listing and servicing of the securities whose issue is authorized.
- The authorization is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 26th resolution.

Resolution 31 - Allocation of bonus shares to Company employees and executive corporate officers

EXPLANATORY STATEMENT

The purpose of the 31st resolution is to authorize the Board of Directors to allocate bonus shares to employees and executive corporate officers of the Company and related companies.

This authorization would be applicable in the context of an employee and executive loyalty policy.

For the executive corporate officers of the Company as well as members of the Executive Committee or any other form of equivalent Management Committee, the vesting of all shares should be subject, in addition to a presence condition, to the fulfillment of performance conditions. These would be determined in advance by the Board of Directors on the basis of one or more criteria. They would be assessed over a minimum period of three fiscal years.

Vesting and holding periods

The duration of the vesting period would be set by the Board of Directors and would not be less than:

- 1 year for employees and
- 3 years for executive corporate officers and members of the Management Committee or equivalent.

These shares must be held for a specific period set by the Board of Directors, and the cumulative duration of the vesting and holding periods must not be shorter than:

- 2 years for employees and
- 5 years for executive corporate officers and members of the Executive Committee or equivalent.

Exceptions to compliance with vesting and holding periods may apply, in particular in the event of death or disability.

Ceiling

1% of the share capital on the day of the Meeting (excluding adjustments), of which 0.5% for executive corporate officers and 0.5% for employees

This equal distribution is due to the fact that, due to the nature of its business, Mercialis' total workforce has very few employees (155 staff on permanent contracts at the end of December 2024) and so complies with the AFEP-MEDEF Code's principle of non-concentration of bonus share plans

Transactions will not be deducted from the ceilings provided for in the 29th resolution.

Term of the authorization

Twenty-six months

THIRTY-FIRST RESOLUTION

Authorization granted to the Board of Directors to allocate existing or new bonus shares in the Company to employees and executive corporate officers of the Company and its related companies; shareholders automatically waive their preferential subscription rights

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, in accordance with Articles L. 225-197-1 to L. 225-197-5, L. 22-10-59 and L. 22-10-60 of the French Commercial Code:

- authorizes the Board of Directors to allocate, on one or more occasions, existing or new bonus shares in the Company;
- resolves that the beneficiaries of the allocations must be employees of the Company or companies or economic interest groups related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code and / or executive corporate officers of the Company;
- resolves that the total number of shares that may be allocated must not exceed 1% of the total number of shares representing the Company's share capital on the date of this Meeting, of which 0.5% for executive corporate officers and 0.5% for employees, plus any additional shares to be issued to preserve the rights of holders of securities giving access to the Company's share capital, in accordance with legal and regulatory provisions, as well as applicable contractual provisions;

- resolves that, with regard to the executive corporate officers of the Company as well as members of the Executive Committee, the vesting of all the shares must be subject, in addition to a condition of presence in the Company or the companies related to it, to the achievement of one or more performance conditions, as well as mandatory vesting and holding periods. These performance conditions will be determined in advance by the Board of Directors based on one or more criteria. They will be assessed over a minimum period of three fiscal years.

The General Meeting authorizes the Board of Directors to proceed, alternatively or cumulatively, within the limit set in the previous paragraph:

- with the allocation of shares resulting from buybacks carried out by the Company under the conditions set out in Article L. 22-10-62 of the French Commercial Code; and / or
- the allocation of shares to be issued by way of a capital increase. In this case, the General Meeting authorizes the Board of Directors to increase the share capital by the maximum nominal amount corresponding to the number of shares granted and notes that this authorization automatically includes, for the benefit of the beneficiaries of the bonus shares granted, the waiver by shareholders of their preferential subscription rights to the shares to be issued.

The General Meeting resolves that the shares will vest to their beneficiaries at the end of a vesting period, the duration of which will be set by the Board of Directors, it being understood that this duration must not be shorter than:

- 1 year for employees and
- 3 years for executive corporate officers and members of the Executive Committee.

These shares must be held for a specific period set by the Board of Directors, and the cumulative duration of the vesting and holding periods must not be shorter than:

- 2 years for employees and
- 5 years for executive corporate officers and members of the Executive Committee.

Thus, for example, to the extent that the vesting period, for all or part of one or more awards, would be at least 2 years for employees and 5 years for executive corporate officers and members of the Executive Committee, the Board of Directors would be authorized not to impose any holding period for the shares in question.

The General Meeting also authorizes the Board of Directors to decide that, in the event of the disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code, or equivalent case abroad, the shares may be vested thereto before the end of the remaining vesting period.

The General Meeting grants full powers to the Board of Directors, with the option to delegate in accordance with the law, within the limits set above, to:

- determine the identity of beneficiaries or the category or categories of beneficiaries of the share allocations, it being specified that no shares may be allocated to employees holding more than 10% of the share capital, and that the allocation of bonus shares must not result in any beneficiary crossing the threshold of holding more than 10% of the share capital;
- distribute the share allocation rights on one or more occasions and at the times it deems appropriate;
- set the conditions and criteria for the allocation of shares, such as, without the following list being exhaustive, the conditions of seniority, the conditions relating to the maintenance of the employment contract or the executive corporate office during the vesting period, or any other financial or individual or collective performance conditions;
- determine, under the legal conditions and limits, the definitive length of the vesting period and, where applicable, the holding period for the shares;
- register, where applicable, the bonus shares allocated in a registered account in the name of their holder, mentioning the lock-up and duration of these shares;
- waive the lock-up period of the shares before the end of the holding period in accordance with the applicable law and regulations;
- allocate, where applicable, an unavailable reserve allocated to the rights of beneficiaries, in an amount equal to the total amount of the par value of the shares likely to be issued by way of a capital increase, by deducting the necessary sums from all reserves freely available to the Company;
- make the necessary withdrawals from this unavailable reserve in order to pay up the par value of the shares to be issued to their beneficiaries;
- set the date of dividend rights, even retroactive, of new shares resulting from the allocation of bonus shares;
- in the event of a capital increase, amend the articles of association accordingly and carry out all necessary formalities;
- adjust, if necessary, during the vesting period, the number of bonus shares allocated in connection with any transactions on the Company's share capital in order to preserve the rights of beneficiaries; it is specified that any shares that may be allocated pursuant to these adjustments will be deemed to be allocated on the same day as the shares initially allocated.

In accordance with the provisions of Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, a report will be provided each year to the Ordinary General Meeting confirming the transactions carried out in accordance with this authorization.

The authorization is granted for a period of twenty-six months from the date of this General Meeting. It cancels, for the unused portion, the previous delegation of the same nature granted by the General Meeting of April 27, 2023 in its 27th resolution.

Resolutions 32 and 33 - Amendments to the articles of association

EXPLANATORY STATEMENT

In its 32nd and 33rd resolutions, the Board of Directors proposes to:

- amend Article 18 “Board Deliberations” of the articles of association in order to make the rules governing attendance at Board of Directors' meetings more flexible by written consultation;
- remove Article 35 “Losses” from the articles of association, incorporating the system formerly provided for by law if equity falls below half of the share capital. The objective is to simplify the articles of association.

THIRTY-SECOND RESOLUTION

Amendment of Article 18 “Board Deliberations” of the articles of association in order to make the rules governing attendance at Board of Directors' meetings more flexible by written consultation

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report, decides to amend Article 18 “Board Deliberations” of the articles of association, in order to take into account the flexibility brought by Law No. 2024-537 of June 13, 2024 to the rules governing attendance at the Board of Directors' meetings of limited liability companies.

the General Meeting decides

to extend the option of written consultation to all types of Board decisions, including by electronic means, specifying the terms and conditions thereof.

As a result, Article 18 III of the articles of association is amended as follows:

“III. Decisions of the Board of Directors may be taken by written consultation, including by electronic means. Consultations can be sent by any means to each director. This includes the text of proposed deliberations, as well as a presentation and explanatory statement. Consultation must enable each director to respond “for”, “against”, to abstain or to make any observations. In the event of a tie, the Chairman of the meeting will have the casting vote.

Directors' response times may not exceed three (3) working days or any period set by the author of the notice of meeting, taking into account the context and the nature of the decision to be made.

Directors who have not replied within the timeframe set are not included in the quorum for taking the decisions concerned by the consultation, unless the timeframe is extended by the author of the notice of meeting.

Any director may object to this decision-making method, within the period indicated in the above-mentioned consultation.”

The rest of the article remains unchanged.

THIRTY-THIRD RESOLUTION

Removal of Article 35 “Losses” from the articles of association and renumbering of subsequent articles

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report, resolves to delete Article 35 “Losses” from the articles of association, incorporating the system formerly provided for by law if equity falls below half of the share capital.

As a result, former Articles 36 and 37 of the articles of association are now Articles 35 and 36 respectively.

8.2.3 Resolution within the remit of the Ordinary General Meeting

Resolution 34 – Powers for formalities

EXPLANATORY STATEMENT

The 34th resolution is a standard resolution that permits the performance of legal publication and formalities.

THIRTY-FOURTH RESOLUTION

Powers for completion of formalities

The General Meeting grants full powers to the holders of an original, an excerpt or a copy of the minutes of this General Meeting to carry out all prescribed deposits, publications or formalities.

APPENDIX 1: INFORMATION ON THE COMPENSATION AWARDED OR PAID TO THE CHAIRMAN OF THE BOARD OF DIRECTORS, ÉRIC LE GENTIL, DURING OR IN RESPECT OF FISCAL YEAR 2024

Compensation components put to the vote	Amounts paid during fiscal year 2024	Amounts awarded in respect of fiscal year 2024 or accounting valuation	Presentation
Fixed compensation	€225,000	€225,000	All details are presented in § 4.2.2.2, p. 264 et seq.
Annual variable compensation	Not applicable	Not applicable	
Multi-annual variable compensation	Not applicable	Not applicable	
Exceptional compensation	Not applicable	Not applicable	
Stock options, performance shares or any other long-term benefits	Not applicable	Not applicable	No award was made in the past fiscal year.
Compensation allocated on account of the directorship	€44,000	€46,000	Éric Le Gentil receives compensation in respect of his position as a director. The gross amount of compensation linked to his directorship in 2024 was set at Euro 18,000, comprising an annual fixed component of Euro 5,000 and an annual variable component of Euro 13,000, awarded on the basis of attendance at Board of Directors' meetings. As a member of the Sustainable Investment Committee (formerly the Strategy and Transformation Committee) and the Appointments, Compensation and Governance Committee, Éric Le Gentil received, as did the other members of these Committees, additional compensation comprising a gross annual fixed component of Euro 8,000 and a gross annual variable component of Euro 20,000 in 2024. Detailed information relating to the compensation in respect of the directorship is presented in § 4.2.1.1 and 4.2.1.2, p. 255 et seq.
Benefits of all kinds	€4,243	€4,243	In 2024, the Chairman of the Board of Directors benefited from contributions to the Mercialis insurance and healthcare plan.
Severance pay	Not applicable	Not applicable	The Company is not bound by an obligation to pay a severance allowance to the Chairman of the Board of Directors for the termination of his duties.
Supplementary pension	Not applicable	Not applicable	The Chairman of the Board of Directors does not benefit from any supplementary pension plan. He is a member of the mandatory group supplementary pension plan (ARRCO and AGIRC) and the pension plan in force within the Company for all employees.

APPENDIX 2: INFORMATION ON THE COMPENSATION AWARDED OR PAID TO THE CHIEF EXECUTIVE OFFICER, VINCENT RAVAT, DURING OR IN RESPECT OF FISCAL YEAR 2024

Compensation components put to the vote	Amounts paid during fiscal year 2024	Amounts awarded in respect of fiscal year 2024 or accounting valuation	Presentation
Fixed compensation	€430,000	€430,000	All details are presented in § 4.2.2.4, p. 266 et seq.
Annual variable compensation	€442,470	€567,170	The General Meeting of April 25, 2024, in its 10th resolution, approved the method for determining the variable compensation of the Chief Executive Officer for fiscal year 2024. The amount of the variable portion, expressed as a percentage, breaks down as follows: • quantifiable objectives (100% of the total variable compensation): • for NRE growth: 180% achieved representing Euro 108,360, • for the EBITDA margin on a like-for-like basis: 200% achieved representing Euro 120,400, • for the total financial vacancy rate: 200% achieved representing Euro 60,200, • in respect of the volume of investment excluding maintenance and arbitrage: 200% achieved representing Euro 60,200, • for the operational launch of significant new pipeline projects: 160% achieved representing Euro 48,160, • for human resources, and more specifically ensuring Mercialis maintaining the highest standard in terms of gender equality: 164% achieved representing Euro 49,450, • in respect of the achievement on a linear basis of the major objectives of the Company's 4 Fair Impacts strategy on the 2030 global strategic roadmap: 200% achieved, representing Euro 120,400. The annual variable compensation may represent 70% of the fixed annual compensation if the defined objectives are achieved and may equal up to 140% of fixed annual compensation if these objectives are exceeded. Full details relating to the variable compensation are presented in § 4.2.2.4, B, 3, p. 271 et seq.
Multi-annual variable compensation	Not applicable	Not applicable	Vincent Ravat does not receive multi-annual variable compensation in cash.
Exceptional compensation	Not applicable	Not applicable	Vincent Ravat did not receive any exceptional compensation during or in respect of fiscal year 2024, in accordance with the compensation policy as described in § 4.2.2.4, p. 266 et seq.
Stock options, performance shares or any other long-term benefits	59,516 bonus shares valued at Euro 321,982 (IFRS book value)	50,631 bonus shares valued at Euro 411,124 (IFRS book value)	59,516 shares valued at Euro 321,982 vested to Vincent Ravat during fiscal year 2024, as a result of the plan set up in 2021. The number of shares allocated is based on the performance conditions associated with this plan, for which the achievement rate was 127.99%. Pursuant to the authorization granted by the Extraordinary General Meeting of April 27, 2023 (27th resolution), the Board of Directors on April 25, 2024 decided to allocate 50,631 shares to Vincent Ravat, which may be increased to 64,807 shares if the performance criteria are exceeded. The vesting of the bonus shares on April 25, 2027 is subject to: (i) him still being a corporate officer in the Company on the vesting date, and (ii) the achievement of four performance criteria. Details relating to the bonus shares awarded during fiscal year 2024 are described in § 4.2.2.4, B, 4, p. 272 et seq.

Compensation components put to the vote	Amounts paid during fiscal year 2024	Amounts awarded in respect of fiscal year 2024 or accounting valuation	Presentation
Compensation allocated on account of the directorship	€30,000	€32,000	Appointed a director of the Company in 2022, Vincent Ravat receives compensation in this respect. The amount of compensation linked to his directorship is made up of an annual fixed component of Euro 5,000 and an annual variable component of Euro 13,000, awarded on the basis of attendance at Board of Directors' meetings. The amount of compensation linked to his position as a member of the Sustainable Investment Committee (formerly the Strategy and Transformation) is made up of an annual fixed component of Euro 4,000 and an annual variable component of Euro 10,000, awarded on the basis of attendance at Committee meetings. Detailed information relating to the compensation in respect of the directorship is presented in § 4.2.1.1 and 4.2.1.2, p. 255 et seq.
Benefits of all kinds	€48,611	€48,611	The Chief Executive Officer is a member of the insurance and healthcare benefit plan in force within the Company for all employees and benefits from the social security regime for company executives. He also has a company car. Details of the benefits of all kinds are provided in § 4.2.2.4, B, 2, p. 270.
Severance pay	Not applicable	Not applicable	No commitment to pay a severance allowance to the Chief Executive Officer for the termination of his duties.
Supplementary pension	Not applicable	Not applicable	The Chief Executive Officer does not benefit from any additional pension plan. He is a member of the mandatory group supplementary pension plan (ARRCO and AGIRC) and the pension plan in force within the Company for all employees. He also benefits from senior executive unemployment insurance.

APPENDIX 3: INFORMATION ON THE COMPENSATION PAID OR AWARDED TO THE DEPUTY CHIEF EXECUTIVE OFFICER, ELIZABETH BLAISE, DURING OR IN RESPECT OF FISCAL YEAR 2024

Compensation components put to the vote	Amounts paid during fiscal year 2024	Amounts awarded in respect of fiscal year 2024 or accounting valuation	Presentation
Fixed compensation	€318,000	€318,000	All details are presented in § 4.2.2.6, p. 279 et seq.
Annual variable compensation	€314,645	€334,218	The General Meeting of April 25, 2024, in its 13th resolution, approved the method for determining the variable compensation of the Deputy Chief Executive Officer in respect of fiscal year 2024. The amount of the variable component for her directorship, as a percentage, is broken down as follows: • quantifiable objectives (100% of the total variable compensation): • for NRE: 180% achieved representing Euro 62,964, • for the EBITDA margin on a like-for-like basis: 200% achieved representing Euro 69,960, • in respect of the "greening" of financing and meeting the CSR objectives associated with changes in bank line margins: 200% achieved, representing Euro 34,980, • in respect of the volume of investment excluding maintenance and arbitrage: 200% achieved representing Euro 34,980, • for the rate of non-rebillable expenses on a like-for-like basis: 150% achieved representing Euro 26,394, • for the total financial vacancy rate: 200% achieved representing Euro 34,980, • in respect of the achievement on a linear basis of the major objectives of the Company's <i>4 Fair Impacts</i> strategy on the 2030 global strategic roadmap: 200% achieved, representing Euro 69,960. The annual variable compensation may represent 55% of the fixed annual compensation if the defined objectives are achieved and may reach up to 110% of fixed annual compensation if these objectives are exceeded. Full details relating to the variable compensation are presented in § 4.2.2.6, B, 3, p. 283 et seq.
Multi-annual variable compensation	Not applicable	Not applicable	Elizabeth Blaise does not receive multi-annual variable compensation in cash.
Exceptional compensation	Not applicable	Not applicable	Elizabeth Blaise did not receive any exceptional compensation paid in or due in respect of fiscal year 2024, in accordance with the compensation policy as described in § 4.2.2.6, p. 279 et seq.
Stock options, performance shares or any other long-term benefits	35,596 bonus shares valued at Euro 192,574 (IFRS book value)	29,954 shares valued at Euro 243,226 (IFRS book value)	35,596 shares valued at Euro 192,574 vested to Elizabeth Blaise during fiscal year 2024, as a result of the plan set up in 2021. The number of shares allocated is based on the performance conditions associated with this plan, for which the achievement rate was 129.99%. Pursuant to the authorization granted by the Extraordinary General Meeting of April 27, 2023 (27th resolution), the Board of Directors on April 25, 2024 decided to allocate 29,954 shares to Elizabeth Blaise, which may be increased to 38,941 shares if the performance criteria are exceeded. The vesting of the bonus shares on April 25, 2027 is subject to: (i) her still being a corporate officer in the Company on the vesting date, and (ii) the achievement of four performance criteria. Details relating to the bonus shares awarded in fiscal year 2024 are described in § 4.2.2.6, B, 4, p. 284 et seq.

Compensation components put to the vote	Amounts paid during fiscal year 2024	Amounts awarded in respect of fiscal year 2024 or accounting valuation	Presentation
Benefits of all kinds	€40,029	€40,029	The Deputy Chief Executive Officer is a member of the insurance and healthcare benefit plan in force within the Company for all employees and benefits from the social security regime for company executives. She does not receive any other benefit of any kind. Details of the benefits of all kinds are provided in § 4.2.2.6, B, 2, p. 282.
Severance pay	Not applicable	Not applicable	No commitment to pay a severance allowance to the Deputy Chief Executive Officer for the termination of her duties.
Supplementary pension	Not applicable	Not applicable	The Deputy Chief Executive Officer does not benefit from any additional pension plan. She is a member of the mandatory group supplementary pension plan (ARRCO and AGIRC) and the pension plan in force within the Company for all employees. She also benefits from senior executive unemployment insurance.

8.3 Statutory Auditors' reports

8.3.1 Statutory Auditors' report on the capital reduction

Extraordinary General Meeting of April 29, 2025, Resolution 21

To the Shareholders,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for in Article L. 22-10-62 of the French Commercial Code in the event of a capital reduction by way of cancellation of shares purchased, we have prepared this report intended to inform you of our assessment of the causes and conditions of the planned capital reduction.

Your Board of Directors proposes that you delegate to it, for a period of twenty-six months from the date of this meeting, all powers to cancel, up to a limit of 10% of its share capital per period of twenty-four months, shares purchased pursuant to the implementation of an authorization by your company to purchase its own shares under the provisions of the aforementioned article.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures led to an examination of whether the causes and conditions of the proposed capital reduction are appropriate.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures involved examining whether the causes and conditions of the proposed capital reduction, which are not likely to affect the equality of shareholders, are appropriate.

Paris-La Défense, March 11, 2025

KPMG S.A.

Régis Chemouny

Partner

Lyon, March 11, 2025

ERNST & YOUNG et Autres

Sylvain Lauria

Partner

8.3.2 Statutory Auditors' report on the issue of shares and various securities with and / or without preferential subscription rights provided for in resolutions 22 to 25 and 27 to 29

Extraordinary General Meeting of April 29, 2025 - 22nd, 23rd, 24th, 25th, 27th, 28th and 29th resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for by Articles L. 228-92 and L. 225-135 et seq., and Article L. 22-10-52 of the French Commercial Code, we hereby present to you our report on the proposals to delegate to the Board of Directors various issues of shares and / or securities, transactions on which you are asked to vote.

Your Board of Directors proposes, on the basis of its report:

- that you delegate to it, for a period of twenty-six months, the authority to decide on the following transactions and to set the final conditions of these issues and proposes, where applicable, to waive your preferential subscription rights:
 - issue with preferential subscription rights (22nd resolution) of ordinary shares and / or securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and / or securities giving access to equity securities to be issued;
 - issue without preferential subscription rights by way of public offers other than those referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (23rd resolution) of ordinary shares and / or securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and / or securities giving access to equity securities to be issued;
 - issue without preferential subscription rights by way of offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code and up to a limit of 20% of the share capital per year (24th resolution) of ordinary shares and / or securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and / or securities giving access to equity securities to be issued;
 - issue, in the event of a public exchange offer initiated by your company (27th resolution), ordinary shares and / or securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and / or securities giving access to equity securities to be issued;
- that you delegate to it, for a period of twenty-six months, the powers necessary to issue ordinary shares and / or securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and / or securities giving access to equity securities to be issued, with a view to remunerating contributions in kind granted to the company and consisting of equity securities or securities giving access to share capital (28th resolution), up to a maximum of 10% of the share capital.

The overall nominal amount of capital increases that may be carried out immediately or in the future must not, in accordance with the 29th resolution, exceed Euro 46,500,000, it being specified that the nominal amount of capital increases that may be carried out may not exceed Euro 46,500,000 for the 22nd resolution and Euro 9,300,000 for each of the 23rd, 24th, 27th and 28th resolutions. The overall nominal amount of debt securities that may be issued must not, in accordance with the 29th resolution, exceed Euro 200 million for the 22nd, 23rd, 24th, 27th and 28th resolutions.

These ceilings take into account the additional number of securities to be created as part of the implementation of the delegations referred to in the 22nd, 23rd and 24th resolutions, under the conditions provided for in Article L. 225-135-1 of the French Commercial Code, if you adopt the 25th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fairness of the quantified information taken from the financial statements, on the proposed waiver of the preferential subscription rights and on certain other information concerning these transactions, presented in this report.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures consisted of verifying the content of the Board of Directors' report on these transactions and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent review of the conditions of the issues that may be decided, we have no matters to report on the methods used to determine the issue price of the equity securities to be issued, presented in the Board of Directors' report for the 23rd and 24th resolutions.

In addition, as this report does not specify the methods for determining the issue price of the equity securities to be issued as part of the implementation of the 22nd, 27th and 28th resolutions, we cannot give our opinion on the choice of elements used to calculate this issue price.

As the final conditions under which the issues will be carried out have not been set, we cannot express an opinion on them nor, consequently, on the proposal to waive your preferential subscription rights as described in the 23rd and 24th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when these delegations are used by your Board of Directors in the event of the issue of securities that are equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, in the event of the issue of securities giving access to equity securities to be issued and in the event of the issue of shares without preferential subscription rights.

The Statutory Auditors

Paris-La Défense, March 11, 2025

KPMG S.A.

Régis Chemouny

Partner

Lyon, March 11, 2025

ERNST & YOUNG et Autres

Sylvain Lauria

Partner

8.3.3 Statutory Auditors' report on the issue of equity securities or securities giving access to the Company's share capital reserved for members of a company savings plan

Extraordinary General Meeting of April 29, 2025 - Resolution 30

To the Shareholders,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for by Articles L. 225-135 et seq. of the French Commercial Code, we hereby present to you our report on the proposal to delegate to the Board of Directors the authority to decide on a capital increase by issuing ordinary shares without preferential subscription rights, reserved for members of a company savings plan within your company and its related companies, for a maximum amount corresponding to 2% of the share capital, a transaction on which you are asked to vote.

This capital increase is submitted for your approval in accordance with the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code.

On the basis of its report, your Board of Directors proposes that you delegate to it for a period of twenty-six months the authority to decide on a capital increase and to waive your preferential subscription rights to the ordinary shares to be issued. Where applicable, it will be responsible for setting the final issue conditions for this transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to give our opinion on the accuracy of the quantified information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information concerning the issue, presented in this report.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures consisted of verifying the content of the Board of Directors' report on this transaction and the methods used to determine the issue price of the shares.

Subject to a subsequent review of the conditions of the capital increase that may be decided, we have no matters to report on the methods used to determine the issue price of the ordinary shares to be issued, presented in the Board of Directors' report.

As the final conditions under which the capital increase would be carried out have not been set, we cannot express an opinion on them nor, consequently, on the proposal to waive your preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

Paris-La Défense, March 11, 2025

KPMG S.A.

Régis Chemouny

Partner

Lyon, March 11, 2025

ERNST & YOUNG et Autres

Sylvain Lauria

Partner

8.3.4 Statutory Auditors' report on the authorization to allocate existing or new bonus shares

Extraordinary General Meeting of April 29, 2025 - Resolution 31

To the Shareholders,

In our capacity as Statutory Auditors of your company and in execution of the mission provided for by Article L. 225-197-1 of the French Commercial Code, we hereby present to you our report on the proposed authorization to allocate existing or new bonus shares to employees and executive corporate officers of your company and its related companies, a transaction on which you are asked to vote. The total number of shares that may be allocated under this authorization must not represent more than 1% of the company's share capital, of which 0.5% for the benefit of executive corporate officers and 0.5% for the benefit of employees.

On the basis of its report, your Board of Directors proposes that you authorize it for a period of twenty-six months to allocate existing or new bonus shares.

It is the responsibility of the Board of Directors to prepare a report on any transaction it wishes to be able to carry out. It is our responsibility to report to you, where applicable, our observations on the information provided to you on the proposed transaction.

We carried out the procedures which we considered necessary with regard to the professional guidelines issued by the French National Association of Statutory Auditors (CNCC) relating to this type of undertaking. These procedures consisted of verifying that the methods proposed and presented in the Board of Directors' report comply with the provisions provided for by law.

We have no matters to report on the information presented in the Board of Directors' report on the proposed authorization to allocate bonus shares.

Paris-La Défense, March 11, 2025

KPMG S.A.

Régis Chemouny

Partner

Lyon, March 11, 2025

ERNST & YOUNG et Autres

Sylvain Lauria

Partner



€135 M

of assets sold in 2024
(value at 100%)



16,000 sq.m

average surface area
per shopping center



6.8x

Net Debt/EBITDA

09.

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9.1 Information about the Company

9.1.1 History of the Company

1999	Incorporation of Mercialys under the name Patounor, a subsidiary of L'Immobilière Groupe Casino.
2005	Mercialys begins operations. Contributions: - by the Casino group of 146 real estate assets: large specialty store premises and shopping centers located on sites anchored by Casino group food-anchored tenants, as well as cafeterias and a few sites with supermarket franchises or convenience stores mini-markets leased to third parties; - by SCI Vendôme Commerces, a subsidiary of AXA, of a shopping center. IPO in Paris, as part of a capital increase by way of a public offering. Decision to opt for the tax regime applicable to listed real estate investment companies (SIIC).
2006	Launch of the “L'Esprit Voisin” multi-year program with a view to renovating, restructuring, amalgamating and creating value on a hundred or so sites operated jointly with the Casino group.
2007	Contribution by the Casino group of 4 shopping centers on Reunion Island.
2009	Contribution by the Casino group of 25 assets: 3 shopping centers; 7 shopping center extensions at an advanced stage of development (CDEC and PC obtained), “turnkey” programs delivered to Mercialys by Casino; 10 hypermarket store units (reserve and/or sale) to be converted into shopping center extensions by Mercialys; 5 hypermarket or supermarket premises in jointly-owned complexes in urban areas requiring the consolidation of properties before major restructuring work and the implementation of projects. Reduction of the Casino group's stake in Mercialys to 51%.
2012	Reduction of the Casino group's stake in Mercialys to 40%.
2013	Continuation of the asset disposal program initiated in 2012 with the aim of refocusing the portfolio around the assets that best fit its strategy. Following numerous successful sales, Mercialys' portfolio comprised 91 assets as at December 31, 2013, including 62 shopping centers of which 23% had a unit size greater than 20,000 sq.m.
2015	Acquisition of 10 large food stores (LFS) to be transformed, either 100% or 51% owned via subsidiaries held with BNPP REIM France. Continued development of the innovative local real estate model by establishing a city-center retail segment: acquisition from Monoprix of 5 sites to be transformed.
2016	Delivery of the extension of the Espaces Fenouillet shopping center in Toulouse, the largest project carried out for Mercialys to date.
2018	Inauguration of the Port site extension-renovation project on Reunion Island. Delivery of 3 large food store transformation projects at the Annecy, Besançon and Brest sites.
2019	Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company. Inauguration of the first health center (Furiani). Delivery of 2 trial coworking sites (Angers and Grenoble). Food delivery tests from one shopping center's restaurants (Angers). Delivery of interior and exterior fittings to promote customer comfort, with potential for redeployment at many other sites (Toulouse).
2020	Closure of “non-essential” businesses due to the COVID-19 pandemic. Continued investments aimed at developing the coworking activity and the deployment of Ocitô marketplace, enabling points of sale in the shopping centers of the Company's assets to develop a local e-commerce activity, even beyond their catchment area, through delivery services (express delivery, shipping).

2021	Closure of shopping centers according to their surface area and then “non-essential” businesses due to the COVID-19 pandemic. Deployment of the strategy based on 4 major areas: • development of services (particularly digital); • use of all spaces; • implementation of the development pipeline; and • implementation of targeted and accretive acquisition opportunities. Reduction of the Casino group's stake in Mercialis to 17%.
2022	Disposal by Casino group of its remaining stake in Mercialis. In an economic context marked by a sharp rise in interest rates and inflation, strengthening of the balance sheet and liquidity through a structured refinancing operation, based on a bond issue of Euro 500 million and the buyback of two bond issues for a cumulative amount of Euro 570 million. At the same time, the Company's operational performance remained solid, illustrated by sustained organic growth achieved on the basis of a stable tenant occupancy cost ratio, demonstrating the balance of the business model.
2023	First disposals of hypermarket business assets by the Casino group to Intermarché and negotiations with Auchan for further disposals, starting a profound movement to optimize Mercialis' rental diversification. Acquisition of a 30% stake in the portfolio management company ImocomPartners, the remaining 70% to be acquired in the first half of 2025. ImocomPartners manages an OPPCI holding a portfolio of 33 retail parks, representing a value of more than Euro 650 million including transfer taxes. This transaction provides Mercialis with a new vector of value creation in retail real estate.

9.1.2 General information

9.1.2.1 Company name - trade name, legal form and applicable legislation

The name of the Company is Mercialys.

The Company is a *société anonyme* (limited liability company under French law) with a Board of Directors and subject to the provisions of the French Commercial Code.

9.1.2.2 Place of registration and registration number, APE code, legal entity identifier (LEI)

The Company is entered in the Paris Trade and Companies Register under number 424 064 707.

The Company's APE code is as follows: 68.20B - Leasing of land and other real estate assets.

The Company's LEI (Legal Entity Identifier) number is: 969500081CGAXB7YS433.

9.1.2.3 Date and term of incorporation of the Company

The Company was formed on August 19, 1999 for a duration expiring on December 31, 2097, except in the event of early dissolution or extension.

9.1.2.4 Registered office, telephone number, website

The Company's head office is located at 16-18 rue du Quatre-Septembre, 75002 Paris (France).

Tel.: 01 82 82 75 95.

The Company's website can be accessed at the following address: mercialys.com. The information on this website does not form part of this Universal Registration Document, unless incorporated by reference.

9.1.2.5 Regulations specific to the Company's activities

A. Rules on asset ownership

1. Acquisition/construction

The acquisition and/or construction of Mercialys' shopping centers and other real estate assets require(s) the acquisition of the land on which these buildings are subsequently built or the, direct or indirect, purchase of existing assets from third-party companies.

2. Construction leases

Certain sites were built under "construction leases" in cases where landowners did not wish to sell their land outright but preferred simply to grant the right to use the land. A construction lease can run for a term of from 18 to 99 years and confers upon the lessee temporary property rights to the land and the building(s) which the latter undertakes to construct in accordance with a defined program.

The parties are free to fix the rent between them on entering into the contract. For the entire term of the construction lease, the lessee pays the lessor the agreed rent and all charges, taxes and levies on the land as well as the buildings. The lessee is free to let the constructions and collect rental income as if they were the full owner of the site.

At expiry of the construction lease, unless there is a specific clause to the contrary, the lessor is automatically transferred title to the constructions erected by the lessee on its land (shopping centers and large specialty stores). The buildings revert to the lessor and the lessee is generally not entitled to compensation, unless agreed otherwise between the parties.

As the construction lease leads to the temporary transfer of title to the land and erected constructions, it should be published, just as any amendments thereto (rider, disposal, contributions, termination) at the land registry in the jurisdiction of the assets.

3. Long-term ground leases

In other cases, the shopping centers and large specialty stores were built under long-term ground leases, which give the beneficiary, as consideration for an agreed modest rent, the right to construct and rent such assets for a period of 18 to 99 years.

Long-term ground leases are rather similar in content to construction leases, but also afford an alternative to the latter where the shopping center is already in place and no construction work is necessary.

Like all leases lasting over 12 years, long-term ground leases must be registered in the land registry in the locale of the property.

4. Property finance leases

A site can also be acquired through a property finance lease. Property finance leasing is essentially a financing technique comprising both a lease and an option to purchase the leased property before or at the end of the lease. Under the terms of a property finance lease, the owner of the real estate asset (the *crédit-bailleur*, or lessor) grants the right of its use to a company (the *crédit-preneur*, or lessee). At the end of an irrevocable lease period, the lessee can acquire ownership of the real estate asset:

- for a fixed price, which is set when the lease is first signed; and
- taking into account rents paid over the lease period.

Upon expiration of the lease period, the lessee has three options: (i) to acquire the real estate asset for a price agreed at the outset (typically, one euro or the value of the bare land); (ii) to return the right of use to the owner; or (iii) to commit to a new lease period with the agreement of the lessor.

Real estate finance leases, like any lease, must be registered with the land registry when they exceed 12 years.

5. Joint-ownership and division by volume

Shopping centers and large specialty stores, whether acquired directly or through a construction lease, a long-term ground lease and/or a property finance lease, are regularly subject to specific regulations governing their legal structures i.e. "joint-ownership" or "division by volume," usually applied due to the setting where these shopping centers or large specialty stores are located or built.

Joint-ownership

The joint-ownership regime, regulated by the law of July 10, 1965, amended by the order of October 30, 2019 and the decree of March 17, 1967, applies to shopping centers where the ownership of food-anchored tenants, large specialty stores and shopping centers is shared between different owners. Each joint-owner has title to one or several lots, with exclusive rights to that private portion, plus an ownership share in the common areas. The structure as a whole is governed by rules set out in the "joint-ownership rules of procedure." On their private lot, the owner enjoys all the powers of ownership attached to real estate property. The owner can also freely use the common areas, provided such use does not infringe on the rights of other joint-owners.

Shares in common areas, which are attributed based on the fractions of the Company's site(s), surface area and location, are taken into account when calculating the number of voting rights held by the owner at joint-ownership meetings and their respective share for the maintenance and costs of said areas.

Joint-owners have laid down joint-ownership rules of procedure for determining the uses and conditions of use for both private and common areas, and for the management of common areas. The joint-ownership rules of procedure are registered in the land registry.

All joint-owners are represented by the joint-ownership association whose executive body is the facility manager. The facility manager's mission is to call joint-owners meetings, draw up the forecast budget required for building maintenance and repair, and act in all instances on behalf of the joint-ownership association to safeguard their interests. Joint-ownership meetings are called annually by the facility manager, mainly to approve the forecast budget. A meeting can also be called to approve works or to take special decisions jointly. Day-to-day operational decisions are passed by simple majority of joint-owners present or represented at meetings, while management decisions require an absolute majority.

Division by volume

Other real estate assets are subject to regulations governing what is known as "division by volume." This concept arises from the practice and necessity of organizing complexes where the following are generally found:

- public works, such as roads, railway lines, metro lines; and
- private projects of a different nature, such as offices, homes, and shopping centers.

Division by volume dispenses with the conventional notion of sole ownership and is based on the separation of the land, above-ground space and below-ground space, resulting in the creation of a three-dimensional volume. The property volume can be schematically defined as a right of ownership, distinct from the ground, involving a three-dimensional, homogeneous portion of above-ground space and below-ground space, corresponding to a building either erected or to be erected, geometric or not, but determined according to measured height and floor plans. These details defining the lots are set out clearly in the description of the division, which further delineates the volumes and their components. Height measurements make it possible:

- to divide elements that are traditionally shared such as walls, piping and the property tax base; and
- to apportion the relative ownership rights to several precisely determined volumes, with easements, if applicable, benefiting other volumes.

The notion of division by volume differs from joint-ownership mainly because it contains no common areas jointly-owned by several volume owners, with shares of such areas attached to each volume. With no common areas attached to different volumes, access to or through each volume is determined according to the established easements of right of way or of access. Depending on their situation, each volume will either benefit from or be subjected to such easements.

For division by volume, the relationships between owners, easements, urban planning constraints and operating rules for the volume division are laid down in a document entitled "*État descriptif de division en volumes*" ("Division description"). The management of the property complex and compliance with the rules laid down in

the description of the division into volumes are ensured by a free owners association (ASL) or a free urban land association (AFUL) specially formed between the owners of the volumes, which are its members.

Unlike a joint-ownership association, procedural rules for the ASL and AFUL are determined freely by the owners when drafting their articles of association.

The division description, like any joint-ownership rules, is registered in the land registry.

B. Commercial urban planning regulations

Following on from the reform of the commercial operating permit system introduced by the law on the modernization of the economy (law No. 2008-776 of August 4, 2008, or LME), which increased the thresholds from 300 to 1,000 sq.m., law No. 2014-626 of June 18, 2014 concerning the craft and retail sectors and micro-enterprises (the Pinel law) thoroughly overhauled this system, with the result that the commercial operating permit is now integrated into the building permit.

According to the practical arrangements laid down by Decree No. 2015-165 of February 12, 2015 relating to commercial development, a commercial developer whose project requires a building permit will simultaneously apply both for the commercial operating permit and the building permit from a "one stop shop" in the person of the local mayor.

A rejection by the Departmental or National Commercial Development Commission (CDAC or CNAC, as the case may be) will, as a result, prevent the building permit from being issued. For projects that do not need a building permit, the applicant will file a CDAC application with the local prefecture (county), as under previous legislation.

Customer collection points (drives) now also require a commercial operating permit (*Autorisation d'Exploitation Commerciale* or AEC in French), pursuant to the ALUR law No. 2014-366 of March 24, 2014 on housing and urban redevelopment. The lifespan of AECs was modified by Decree No. 2016-1728 of December 15, 2016. As a general rule, it lasts for 3 years and covers:

- 5 years for projects with a sales area of more than 2,500 sq.m.; and
- 7 years for projects larger than 6,000 sq.m.

Following this reform, building permits are now valid for 3 years, rather than 2.

In terms of sanctions, the Pinel law has extended the scope of Article L. 752-23 of the French Commercial Code to permanent collection points.

Furthermore, the French Housing, Development and Digital law (ELAN) of November 23, 2018 stipulates the content of commercial operating applications, as well as the penalties applicable in the event of failure to honor the commitments entered into in the commercial operating applications (AEC). AEC applications are now assessed against the project's contribution to preserving the commercial fabric of the city center, an assessment of the project's GHG emissions, and checks to ensure there is no wasteland in the city center or the outskirts that the project could be sited on.

If an area is being illegally operated and the situation is not resolved within three months, a fine of Euro 150 per day and per square meter is issued; a fine of Euro 15,000 applies if the offense is repeated.

Finally, the ELAN law gives local prefectural authorities the option to suspend processing of an AEC outside sectors identified in the city center, within which a local regeneration operation is scheduled.

Lastly, the “Climate and Resilience” law of August 22, 2021 establishes the integration of the fight against the artificialization of soils among the principles referred to in Article L. 101-2 of the French Urban Planning Code, and the establishment of a “Zero Net Artificialization” objective.

C. Public health regulations

The Company has an obligation to detect asbestos and, if necessary, to remove it in accordance with Articles R. 1334-14 to R. 1334-29-9 of the French Public Health Code. As at January 1, 2013, pursuant to the orders of December 28, 2012, when damaged materials likely to present a risk are identified, the property owner or occupier must commission either a periodic inspection of the materials, or the monitoring of ambient dust levels, or works to isolate or remove the asbestos. The local prefecture must also be informed, and precautionary measures must be taken while waiting for works to be completed.

D. Regulations on accessibility for people with disabilities

In terms of the accessibility of its centers for people with disabilities, the Company is required to comply with the law of February 11, 2005 concerning equal opportunities, participation and citizenship of people with disabilities on the basis of:

- taking account of all forms of disability, not only motor disabilities but also sensory (visual and hearing), cognitive and psychological disabilities, and all difficulties relating to mobility;
- a commitment to look after the entire mobility chain, which includes the built environment, roads, facilities and external pathways.

Under Article 41 of the law of February 11, 2005, existing facilities open to the public must allow people with disabilities to access and move around the building and receive information made available by means suited to various disabilities. The order of March 21, 2007 sets out the requirements for the application of Articles R. 111-19-8 and R. 111-19-11 of the French Construction and Housing Code, relating to the accessibility of existing public buildings and amenities for people with disabilities. It also states that these measures must be implemented by January 1, 2015. Decree No. 2009-500 of April 30, 2009 relating to the accessibility of public buildings and buildings used as dwellings sets out the required time frames for accessibility assessments. These compulsory assessments determine the accessibility level of the building, identify the works to be carried out to meet the standards and estimate the cost of these works.

To complete this accessibility framework, the following legislation has extended the deadline beyond 2015 for implementation of the works to make public buildings accessible, based on the submission of the “ADAP” (Agendas d’Accessibilité Programmée) accessibility timetables: law No. 2014-789 of July 10, 2014 – law No. 2015-988 of August 5, 2015 – order No. 2014-1090 of September 26, 2014 – decree No. 2014-1327 of November 5, 2014.

These timetables have been submitted for the Company’s entire operational scope.

The Company is also subject to the safety regulations for public buildings (order of June 25, 1980, as amended by the order of September 24, 2009), which sets out the fundamental design and operation principles for a building to ensure the safe evacuation of people with disabilities. Its purpose is to take account of the inability of some members of the public to evacuate or be evacuated quickly, and to meet the requirements of Article R. 123-4 of the French Construction and Housing Code.

Details of the measures taken to support the employment and integration of workers with disabilities within Mercialis and at shopping centers owned by the Company are provided in § 2.5.2, p. 104.

E. Environmental protection regulations

If the sites owned by the Company are located in a municipality covered by preventive plans concerning technological, natural or mining risks, or are located in a geologically unstable area ranked above 1, or within a *Secteur d’Information sur les Sols* area requiring soil tests to be conducted, the Company is required – under Article L. 125-5 of the French Environmental Code and decree No. 2005-134 of February 15, 2005 – to inform its tenants and to include the report on the pollution risks in the commercial lease.

Certain sites may also be subject to the rules governing Facilities Classified for the Protection of the Environment (*Installations Classées pour la Protection de l’Environnement* – ICPE). A classified facility (as defined by the law of July 19, 1976) is a facility or activity that could cause a danger or nuisance to the neighboring area with regard to health, safety, public health or the environment.

The operator of such a classified facility must inform the local authorities of any significant renovation or transformation planned for the facility. Under the ICPE regime governing the facility (Declaration – Controlled Declaration – Registration – Authorization), the operator is required to submit a comprehensive operating report every five or ten years as specified by the order of July 17, 2000. In addition, where the classified facility finally ceases to operate, its operator must inform the local authorities at least one month prior to the end of operations and must restore the site to a state that eliminates all of the dangers or nuisances described in Article L. 511-1 of the French Environmental Code.

The Company currently has installed equipment and material in some of its buildings for cooling and/or combustion, vital for the comfort of its customers, which in some cases are subject to the ICPE regulations.

The means implemented to prevent environmental risks are detailed in § 2.1, p. 80 *et seq.*, § 2.2, p. 86 *et seq.*, and § 2.4, p. 97 *et seq.*

The Company must also comply with water regulations and in particular the obligation to ensure the treatment of wastewater, pursuant to the Public Health Code and the General Local Authorities Code. All the sites are connected to the public sanitation network. The Company must also comply with the rainwater management obligation (the Water law of January 1992). According to Article L. 225-102-1 of the French Commercial Code, the Company is also obliged to disclose, in its management report, how it takes into account the social and environmental consequences of its activity. The latter must be checked by an independent third party pursuant to decree No. 2012-557 of April 24, 2012.

F. Safety regulations

As establishments open to the public, the Company’s shopping centers and certain of its buildings are subject to regulations on fire safety and prevention and on the risks of panic laid down in Articles R. 123-1 to R. 123-55 of the French Construction and Housing Code, in the order of June 25, 1980, as amended, and in the specific provisions that relate to each type of business activity. Prior to opening, the safety inspectors check every establishment intended for public access. Only after the inspectors have given their opinion may the local mayor then authorize the opening of the establishment. In addition, the safety inspectors carry out periodic visits as set out in the general safety regulations in order to check on compliance with safety standards. If they suspect that the safety regulations have not been observed they may make unannounced visits which may, if the situation warrants it, result in an application for administrative closure. The mayor, who has overall policing powers in the municipality, will decide whether or not to grant the application.

It should be noted that, since the decree of June 13, 2017, the notional number of members of the public taken into account for Type M stores of more than 300 sq.m. (hypermarkets, supermarkets, medium-sized stores) is now based on a ratio of 1 person for every 3 sq.m. (in the basement, ground floor and first floor of the sales area), whereas it used to be every 2/3 sq.m.

Furthermore, the frequency of visits by safety inspectors has been reviewed for certain types of public establishment. For example, "M" type inspections are now carried out every 3 years for category 1 and 2 establishments, and every 5 years for category 3 and 4 establishments.

Retail units are also obliged to provide security guards or surveillance where required because of their size or location. This includes taking measures to prevent crime and maintain order in public buildings, pursuant to Article L. 127-1 of the French Construction and Housing Code, amended by law No. 2007-297 of March 5, 2007. The methods for applying this provision to retail units are set forth in decree no. 97-46 of January 15, 1997 and to parking lots in decree no. 97-47 of January 15, 1997.

Article L. 127-1 of the French Construction and Housing Code was amended by Article 16 of Law No. 2007-297 of March 5, 2007. It states that owners, operators or assignees, as applicable, of buildings used for housing or as administrative, professional or commercial premises must, when the importance of these buildings or premises or their location justifies it, arrange security guards or surveillance for such properties and take measures to avoid manifest risks to the safety and security of the premises.

G. Commercial lease regulations

The Company is also subject to regulations concerning commercial leases in connection with its business. Commercial leases are governed by the provisions of Articles L. 145-1 *et seq.* and R. 145-1 *et seq.* of the French Commercial Code, and the uncodified articles of the decree of September 30, 1953.

Law No. 2014-626 of June 18, 2014 concerning the craft and retail sectors and micro-enterprises (the Pinel law) and decree No. 2014-1317 of November 3, 2014, changed some of the rules concerning commercial leases.

Term

Commercial leases have a minimum term of 9 years. However, the term is not imposed in the same manner on the lessor and the lessee. The lessee is entitled to terminate every three years simply by giving prior notice six months before the end of the current period. However, it is possible, depending on the parties' agreement, to enter into leases for a term of more than nine years, such as those entered into by Mercialis. Also, for commercial leases of more than 9 years, it is possible, depending on the parties' agreement, to waive the right to terminate one or more three-year periods.

The lessor, on the other hand, can only take back its property at the end of each three-year period in particular circumstances, such as if it intends to build, rebuild, or extend upwards the existing building. The lessor can only ask the court to terminate the lease in the event of the lessee's non-compliance with its contractual obligations.

Rent and eviction compensation

The parties set the initial rent at their discretion when making the lease agreement. Unless yearly indexation is provided for in the lease, the rent can only be adjusted every three years to bring it into line with the rental value but without exceeding the change in quarterly rent index recorded since the most recent rental adjustment. Shopping center leases often include a

double-component rent: in addition to a basic rent freely set by the parties based on the market rental value, an additional variable rent based on the tenant's sales in the leased premises may be added. The basic rent for the commercial lease may be indexed in accordance with the lease provisions based on changes in the ILC (retail rent index) or the ILAT (tertiary rent index). At the end of the lease, the lessor may (i) propose the renewal of the lease to the lessee on new financial terms by giving the tenant notice with an offer to renew the lease or (ii) refuse it by giving it notice refusing to renew the lease. For its part, and in the absence of any notice issued by the lessor in the six months preceding the contractual expiry of the lease, the lessee may request the renewal of its lease under the same conditions. Failing this, the lease will automatically be extended on the terms applicable at the end of the lease period.

Following a notice refusing renewal issued to the lessee, the lessor shall pay the lessee an eviction indemnity to compensate it for the loss of its commercial property, unless it can prove that a serious and legitimate reason exists enabling it to dispense with the payment of this compensation. If eviction compensation is due, the Company has a right to withdraw its action, i.e. to change its decision and offer to renew the lease in question. The right to withdraw its initial decision may be exercised only if the lessee has not made preparations to leave the premises in the interim. The right to withdraw may be exercised during the fifteen days following the definitive ruling setting the amount of the eviction compensation. Once exercised, the right to withdraw is irrevocable and gives rise to renewal of the lease starting from the date of notice that the right has been claimed, delivered to the lessee by a process server.

If the lessor gives the lessee notice with an offer to renew, or if the lessee requests renewal of the lease, the rent may be set either amicably between the parties or by process of law. In the latter case, the party to act first asks the local conciliation commission (*Commission Départementale de Conciliation*), prior to bringing any action before the commercial rents judge at the Judicial Court of the place where the premises are located, to issue an opinion on the amount of the rent in an attempt to reconcile the two parties. If no agreement is reached, the case must be brought before the commercial rents judge of the Judicial Court of the place where the premises are located, within two years of the effective date of the renewal notice or the renewal request. The rent set for the renewed lease must accurately reflect the rental value of the premises and may, however, be subject to the "capping" rule provided by Articles L. 145-34 of the French Commercial Code: unless there has been a material change in the factors determining the rental value of the leased premises, as listed in Article L. 145-33 of the French Commercial Code, rent renewals for leases of no more than nine years are capped and may not exceed the change in the retail rent index or the tertiary rent index. However, the capping rule does not apply to "monovalent" premises (or single-use premises, which because of their specific layout, can serve for only one type of business activity), or to leases with an initial contractual term of nine years but which, due to the tacit extension mechanism, have had an overall effective term of more than twelve years, and therefore, leases with a contractual term of more than nine years. In this case, the parties are free to negotiate the rent between them.

However, Article L. 145-34 of the French Commercial Code as amended by the Pinel law now provides that if there is a significant change in the factors referred to in paragraphs 1 to 4 of Article L. 145-33, or if an exception is made to the capping rules as a result of a clause in the contract relating to the term of the lease, the resulting change in rent may not lead to higher increases, for one year, than 10% of the rent paid in the previous year.

9.1.3 Memorandum of incorporation and articles of association

9.1.3.1 Corporate purpose (Article 3 of the articles of association)

The corporate purpose of the Company in France and abroad is:

- to acquire and/or develop all types of land, buildings, real estate property and real estate rights with a view to letting them out to tenants, management, leasing, development of all types of land, buildings and property rights, fitting out of all property complexes with a view to letting them out to tenants; and all other connected or linked industrial or commercial activities relating to the aforementioned activities, and more generally the exercise of which relates to, or comprises, the operation of shopping centers or the leasing of space within shopping centers, whether directly or indirectly, either alone or in partnerships, alliances, groups or a company, with any other persons or companies;
- to participate by any means in any transactions related to the Company's purpose by acquiring interests and equity investments, by any means and in any form in a real estate, industrial, financial or commercial services company in France or abroad, notably through acquisition, the formation of new companies, the subscription or purchase of securities or ownership rights, contributions in kind, mergers, alliances, joint ventures, economic interest groups or other partnerships along with the administration, management and control of such interests and equity investments;
- in general, to carry out any real estate, equipment, commercial, industrial and financial transactions that may be directly or indirectly connected to the Company's purpose or facilitate the completion and development thereof, including the possibility of arbitrating assets, notably by way of disposal.

9.1.3.2 Stipulations of the articles of association regarding administrative and management bodies – Rules of Procedure of the Board of Directors

A. Board of Directors

1. Composition of the Board of Directors (extract from Article 14 of the articles of association)

The Company is managed by a Board of Directors. It comprises at least three members and a maximum of eighteen, subject to dispensation provided by law in the event of a merger with another limited liability company. Board members are appointed by the Ordinary General Meeting of shareholders.

2. Duration of directorships – Age limit – Replacements (extract from Articles 15 and 16 of the articles of association)

Members of the Board of Directors are appointed for a term of three years expiring at the close of the Ordinary General Meeting of shareholders approving the financial statements for the past fiscal year and held in the year in which their term of office expires. Directors may be reappointed upon expiry of their directorship.

No one may be appointed as a Board member or permanent representative of a company if, having passed the age of seventy (70), their appointment brings the number of Board members and permanent representatives of legal entity directors above this age to more than one-third of the Board members.

When this age limit is crossed, the oldest director or permanent representative of the legal entity shall be deemed to have resigned automatically at the end of the Ordinary General Meeting that votes on the financial statements for the fiscal year in which the age limit is crossed.

Directors are appointed or reappointed by decision of the Ordinary General Meeting of shareholders. Directors have their terms of office renewed in rotation so that the directors are regularly reappointed in proportions that are as equal as possible. In order to enable the system of rotation to operate, the Ordinary General Meeting can appoint a director for a period of one or two years, on an exceptional basis.

In the event of a vacancy in one or more directors' seats due to death or resignation, the Board of Directors may make provisional appointments between two General Meetings. Such appointments shall be subject to ratification by the first Ordinary General Meeting thereafter.

If the appointment of a director by the Board of Directors is not ratified by the General Meeting, actions taken by the director and decisions made by the Board of Directors during the provisional period shall remain valid.

If the number of directors falls below three, remaining members (or in the event of a shortage a corporate officer designated at the request of any interested party by the presiding judge of the Commercial Court) must immediately convene an Ordinary General Meeting of shareholders to appoint one or more new directors in order to bring the number of directors to the minimum required by law.

Directors appointed to replace another director shall remain in office only for the remainder of their predecessor's term.

The appointment of a new Board member in addition to current members may only be decided by shareholders at the General Meeting.

Each member of the Board of Directors must hold at least 100 registered shares in the Company. If, on the day of his/her appointment, a director does not own the required number of shares or if, during his/her term, he/she ceases to own such number of shares, and does not rectify the situation within six months, he/she is deemed to have resigned from office.

3. Organization, meetings and decisions of the Board of Directors

Chairman – Board officers (extract from Articles 17 and 20 of the articles of association)

The Board of Directors shall appoint one of its members as Chairman whose role shall be defined by law and the Company's articles of association. The Chairman of the Board of Directors organizes and supervises the Board of Directors' work and reports on it at the General Meeting. The Chairman ensures that the Company's various bodies operate effectively and, more specifically, that the directors are able to perform their duties.

The Chairman may be appointed for the full term of his/her office as director, subject to the Board of Directors' right to remove him/her from the Chairmanship and his/her right to resign before the expiry of his/her directorship. The Chairman is eligible for reappointment.

The age limit for serving as Chairman is set at seventy-five (75). Exceptionally, if the Chairman reaches this limit while in office, he/she shall stand down at the end of that term.

If the Chairman is temporarily indisposed or dies, the Board of Directors may delegate the duties of Chairman to a director. If the Chairman is temporarily indisposed, this delegation is given for a limited term and is renewable. If the Chairman dies, the delegation shall remain valid until a new Chairman is elected.

Non-voting directors (extract from Article 23 of the articles of association)

The Ordinary General Meeting may appoint non-voting directors, who may be individuals or legal entities, chosen from among the shareholders. Between two Ordinary General Meetings, the Board of Directors may appoint non-voting directors subject to ratification by the next General Meeting. There may not be more than five non-voting directors.

Non-voting directors serve a term of three years, expiring at the close of the Ordinary General Meeting of shareholders approving the financial statements for the past fiscal year and held in the year their term of office expires. Non-voting directors are eligible for reappointment for as many terms as they wish and may be dismissed at any time by a decision of the Ordinary General Meeting.

Non-voting directors attend meetings of the Board of Directors, during which they provide their opinions and observations and participate in decisions in an advisory capacity.

They may receive compensation for their services, the aggregate amount of which is set by shareholders at their Ordinary General Meeting and maintained until a new decision is taken by another General Meeting. The Board of Directors shall allocate such compensation between non-voting directors as it deems appropriate.

Decisions of the Board (extract from Article 18 of the articles of association)

The Board of Directors meets as often as necessary in the interests of the Company and whenever deemed appropriate, at the place indicated in the notice of the meeting. Notices of meetings are issued by the Chairman or in his/her name by any designated person. If the Board of Directors has not met for more than two months, one-third of directors in office may ask the Chairman to call a meeting to discuss a predetermined agenda. The Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a specific agenda.

The actual presence of at least half of the serving directors is required to constitute a quorum for decision-making.

Decisions are made by a majority of members present or represented. In the event of a tie, the Chairman of the meeting shall have the casting vote. However, if the Board consists of fewer than five members, decisions may be made if unanimously approved by at least two directors present.

Directors may participate in discussions by videoconference or other telecommunication means in accordance with the terms and conditions set out in applicable regulations and the Rules of Procedure of the Board of Directors.

The Board of Directors has the right to make written decisions in accordance with the conditions specified in Article L. 225-37 of the French Commercial Code.

4. Powers of the Board of Directors (extract from Article 19 of the articles of association)

The Board of Directors shall determine Company business policies and ensure that they are implemented, in line with its corporate interest, taking into consideration the social and environmental challenges of its business.

The Board of Directors performs the audits and checks that it deems necessary.

At any time and on its sole initiative, the Board of Directors may change the way in which Senior Management operates, without effecting any change to the articles of association.

The Board of Directors may establish committees, the composition and remit of which it determines, for the purpose of assisting it in its duties. The committees act within the brief granted to them and provide proposals, recommendations and opinions, as appropriate.

The Board of Directors authorizes, within the conditions set by law, related party agreements other than those relating to standard transactions entered into at arm's length, as set out in Article L. 225-38 of the French Commercial Code. In accordance with Article L. 225-35 of the French Commercial Code, the Board of Directors' authorization is required for any deposits, sureties or guarantees given in the Company's name. However, the Board of Directors may authorize the Chief Executive Officer to give deposits, sureties or guarantees in the Company's name up to the global limit or maximum amount per authorized commitment each year.

Without prejudice to any legal prohibitions to the contrary, delegations of powers, duties or functions limited to one or more transactions or categories of transactions may be conferred to any person, whether a director of the Company or not.

Furthermore, in its Rules of Procedure, the Board of Directors has adopted a number of mechanisms setting out the powers of the Company's Management (see § 4.1.2.1, p. 238).

B. Senior Management of the Company

1. Senior Management (extract from Article 21-I of the articles of association)

The Company's Senior Management is exercised, under its responsibility, either by the Chairman of the Board of Directors or by an individual, who may or may not be a director, appointed by the Board and having the title of Chief Executive Officer.

The Chief Executive Officer's term of office shall be freely determined by the Board of Directors but may not exceed three years. The Chief Executive Officer may be reappointed.

The Chief Executive Officer is vested with the broadest powers to act on the Company's behalf in all circumstances. He/she exercises those powers within the limit of the corporate purpose subject to the powers expressly reserved by law to General Meetings of shareholders and to the Board of Directors. However, as an internal measure, the Board of Directors may decide to limit the powers of the Chief Executive Officer (see § 4.1.2.1, p. 238), for a description of the limitations placed on the powers of the Company's Senior Management). It represents the Company in its relations with third parties.

The age limit for serving as Chief Executive Officer is set at 75. However, on reaching the age limit, the Chief Executive Officer remains in office until his/her term expires.

The Board of Directors may remove the Chief Executive Officer from office at any time. If dismissal is decided without due cause, it may give rise to the payment of compensation, except if the Chief Executive Officer performs the functions of Chairman of the Board of Directors.

2. Deputy Chief Executive Officers (extract from Article 21-II of the articles of association)

On a proposal from the Chief Executive Officer, the Board of Directors may appoint up to a maximum of five natural persons to assist the Chief Executive Officer, having the title of Deputy Chief Executive Officer.

Their term of office may not exceed three years. Deputy Chief Executive Officers are eligible for reappointment. They shall have the same powers as the Chief Executive Officer in dealings with third parties.

The age limit for serving as Deputy Chief Executive Officer is set at 75. However, on reaching the age limit, a Deputy Chief Executive Officer remains in office until his/her term expires.

The Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors, upon the proposal of the Chief Executive Officer. If the Chairman performs the duties of Chief Executive Officer, the Chief Executive Officer or each of the Deputy Chief Executive Officers will be authorized to grant sub-delegations or substitute powers of attorney for one or more transactions or categories of transactions.

C. Rules of Procedure of the Board of Directors

The Company's Board of Directors adopted Rules of Procedure on August 22, 2005, which were last amended on February 12, 2025. These Rules of Procedure are intended to complement legal and regulatory requirements and the articles of association in governing the operating procedures of the Board of Directors. These rules can be found in § 9.1.5, p. 400 *et seq.*

They define the organization *modus operandi*, powers and remits of the Board of Directors and the Committees established from among its members, as well as the framework for the control and assessment of how it operates for a description of the various Committees established, the limits placed on the powers of Senior Management and the procedures for the control and review of the Board of Directors.

9.1.3.3 Rights, privileges and restrictions attached to shares

A. Appropriation of profits, dividend and interim dividend payments (extract from Articles 13, 33 and 34 of the articles of association)

Each share represents an interest in the assets and profits of the Company proportional to the fraction of the share capital it represents, taking into account, where applicable, the face value of shares, whether or not they are fully paid up, whether or not they have been written down through whether or not they have been redeemed and the rights of shares in different classes where new classes of share have been created.

1. Profits – Legal reserve

No less than five percent (5%) of profits for the year, adjusted for any prior year losses, are allocated to a reserve fund known as the “legal reserve”. This allocation is no longer required once the legal reserve reaches one tenth of the Company's share capital.

Distributable income is equal to profit for the year less any prior year losses and amounts appropriated to the legal reserve, as mentioned in the above paragraph, and all other allocations to reserves required by law, plus retained earnings.

2. Dividends

When the financial statements for the fiscal year approved by the General Meeting show the existence of distributable profits, the General Meeting decides, on the proposal of the Board of Directors, to carry out the necessary appropriations to one or more reserve or capital depreciation accounts, for whose allocation and use it is responsible, and to allocate in full or in part the corresponding amounts to retained earnings or to dividends. Amounts placed in reserve accounts may, on the proposal of the Board of Directors and by decision of the General Meeting, be distributed or capitalized at a later date. Furthermore, when the General Meeting decides to distribute amounts taken from the reserves at its disposal, such decision shall expressly indicate the reserve accounts from which funds are drawn.

3. Interim dividends

The Board of Directors may decide to pay one or more interim dividends, subject to conditions required by law, before the financial statements for the fiscal year are approved.

4. Payment of dividends and interim dividends

Terms for the payment of dividends and interim dividends are determined by the General Meeting or, failing this, by the Board of Directors no later than nine months after the close of the fiscal year.

The General Meeting called to approve the financial statements for the fiscal year may grant each shareholder, for all or part of the

dividend or interim dividends paid, an option of payment in cash or in shares. Requests for the payment of dividends in shares must be made no later than three months after the date of the General Meeting.

B. Voting rights attached to shares

1. Voting rights (extract from Articles 28, 29 and 30 of the articles of association)

All shareholders have as many votes as they own or represent shares, without any limitation.

Votes are expressed by show of hands, by electronic means or by any means of telecommunication that permits the identification of shareholders in accordance with applicable regulations. On the proposal of the Board of Directors, the General Meeting may also decide to hold a secret ballot.

A majority vote of shareholders present in person, voting by post or represented by proxy is required for a decision to be made at an Ordinary General Meeting. The votes cast do not include those attached to the shares for which the shareholder has not participated in the vote, has abstained, has returned an empty or void voting form or whose form gives no voting indication.

In an Extraordinary General Meeting, a two-thirds majority of votes cast by shareholders present in person, voting by post or represented by proxy is required. The votes cast do not include those attached to the shares for which the shareholder has not participated in the vote, has abstained, has returned an empty or void voting form or whose form gives no voting indication.

2. Double voting rights

The Extraordinary General Meeting of May 5, 2015 reinstated the principle of “one share, one vote.” Under section 3 of Article L. 225-123 of the French Commercial Code, double voting rights are not attributed to fully paid-up shares for which proof is provided of registration for two years in the name of the same shareholder.

3. Limitation on voting rights

None.

9.1.3.4 Changes to the share capital and the rights attached to shares (extract from Articles 7 and 8 of the articles of association)

A. Capital increases

The Extraordinary General Meeting has sole authority to decide or authorize a capital increase, immediately or in the future, except in the case of a capital increase resulting from a request by a shareholder to receive payment of all or part of a dividend or interim dividend in shares, where such an option has been granted to shareholders by the General Meeting approving the financial statements for the fiscal year.

The Extraordinary General Meeting may delegate this authority to the Board of Directors in accordance with the law, or assign to it the necessary powers to carry out the capital increase in one or more offerings within the time allowed by law, and to determine the terms, record the performance thereof and amend the articles of association accordingly.

In the event of a capital increase through the issue of shares for cash, preferential subscription rights shall, in accordance with legal conditions, be reserved for holders of existing shares. However, shareholders may waive their preferential rights on an individual basis and the General Meeting deciding on the capital increase may cancel said preferential rights in accordance with legal conditions.

B. Capital reduction and depreciation

The Extraordinary General Meeting may also, subject to the conditions stipulated by law, decide or authorize the Board of Directors to reduce the Company's share capital for any reason and in any manner whatsoever, including through the purchase and cancelation of a specific number of shares or by exchanging existing shares for new shares, for an equivalent number or fewer shares, with or without the same par value, with, if applicable, the sale or purchase of existing shares and with or without a cash balance to be paid or received.

9.1.3.5 General Meetings

A. Form of General Meetings (extract from Articles 29 and 30 of the articles of association)

1. Ordinary General Meeting

The Ordinary General Meeting deliberates on the agreements covered by Article L. 225-38 of the French Commercial Code. It appoints directors, ratifies or rejects temporary appointments made by the Board of Directors, removes directors where it deems there to be just cause, determines the allocation of fixed annual compensation for directors for their activity and determines the amount thereof. It appoints the Statutory Auditors. The Ordinary General Meeting ratifies any decision by the Board of Directors to transfer the head office within the same county (*département*) of France or to a neighboring county.

The Ordinary General Meeting meets once a year to approve, amend or reject the full-year Company financial statements and the consolidated financial statements and to determine the appropriation of profits in accordance with the Company's articles of association. It may decide, subject to the conditions stipulated by law, to grant each shareholder, in respect of all or part of the dividend or interim dividend to be paid, the option to receive payment in cash or in shares.

More generally, the Ordinary General Meeting deliberates on all other matters that do not fall within the scope of the Extraordinary General Meeting.

2. Extraordinary General Meeting

The Extraordinary General Meeting may make amendments to the articles of association as allowed by French company law.

B. Convening and powers of representation (extracts from Articles 25, 27 and 28 of the articles of association)

General Meetings are convened by the Board of Directors or, failing this, by the Statutory Auditors or by an agent designated by the presiding judge of the Commercial Court, on the request of one or more shareholders together representing at least 5% of the Company's share capital, or a shareholders' association in accordance with the provisions of Article L. 225-120 of the French Commercial Code.

The agenda for General Meetings is set by the person who drafts the notice. However, one or more shareholders have the right to request, subject to the conditions stipulated by applicable legislation and regulations, the inclusion of items or draft resolutions in the agenda.

Meetings are held at the Company's head office or any other location in France, as indicated by the party giving notice.

If the Board of Directors so decides, shareholders may participate in meetings and vote by video conference or any other means of telecommunication, including the Internet, that allows for them to be identified in accordance with current regulations and the conditions decided by the Board of Directors.

All shareholders, irrespective of the number of shares they hold, have the right to take part in General Meetings.

The right to participate in General Meetings is subject to registration of the shares in the name of the shareholder or in the name of the intermediary registered on the shareholder's behalf if the shareholder resides abroad, within the time stipulated in Article R. 225-85 of the French Commercial Code. Shares are registered either in the registered share accounts held by the Company or by the agent designated by the Company, or in bearer share accounts held by the authorized intermediary.

The registration of shares in bearer share accounts held by the authorized intermediary is acknowledged by a shareholding certificate issued by the authorized intermediary, if necessary by electronic means, as an attachment to the form for voting by post or by proxy or for requesting an admission card, filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to attend the meeting in person and who have not received an admission card within the time stipulated in Article R. 225-85 of the French Commercial Code.

Shareholders not attending the Meeting in person may choose from one of the following options, subject to the conditions provided for by law and regulations:

- vote by post in accordance with legal requirements and the articles of association;
- be represented in accordance with the law.

For any proxy sent to the Company without specifying a representative, the Chairman of the General Meeting will vote in favor of the adoption of the draft resolutions presented or approved by the Board of Directors and a vote against all other draft resolutions; to give any other vote, the shareholder must elect a representative, who agrees to vote as he/she indicates.

C. Holding of General Meetings (extract from Articles 28, 29 and 30 of the articles of association)

The General Meeting is chaired by the Chairman of the Board of Directors, the Vice-Chairman or a director appointed for this purpose by the Board of Directors or, failing this, by an attending shareholder chosen by the meeting.

Ordinary General Meetings are duly constituted and quorate if shareholders present in person, represented by proxy or voting by post, hold at least one-fifth of shares with voting rights. If the requisite quorum is not obtained, a second meeting is held which may deliberate validly irrespective of the fraction of the share capital represented, but which may only vote on items on the agenda for the first meeting.

Extraordinary General Meetings are held regularly and may deliberate validly if shareholders present in person, represented by proxy or voting by post, hold at least one-quarter of voting shares at the first meeting and one-fifth of voting shares at any second meeting. If this quorum is not obtained, the second meeting may be adjourned to a date no more than two months after the date it was called.

Decisions are recorded in minutes signed by members of the Board of Directors. Copies or extracts of the minutes of General Meetings are certified either by the Chairman of the Board of Directors or by the Chief Executive Officer if he or she is a director, or by the secretary of the General Meeting.

9.1.3.6 Form of shares and identification of the holders of securities (extract from Articles 10 and 11 of the articles of association)

Shares are registered shares until they are fully paid up. When they are paid up, subject to any laws to the contrary, shareholders can choose to hold shares in registered or bearer form.

Ownership of shares, whether registered or bearer shares, is evidenced by their registration in an account in accordance with the provisions stipulated by applicable regulations.

Provisions relating to shares apply to bonds and any other marketable securities issued by the Company.

Subject to the regulatory conditions, the Company or its agent may request at any time, from the central securities depository, either directly from one or more intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code, the name or, in the case of a legal person, the Company name, nationality, year of birth or, in the case of a legal person, the year of incorporation, postal address and, where applicable, email address of the holders of bearer shares conferring immediate or future voting rights at General Meetings, the number of securities held by each and any restrictions that apply to such securities, and any other information stipulated by the applicable legal and regulatory provisions.

Following a request referred to in the first paragraph above, when a custodian identifies, in the list that he/she is responsible for drawing up, an intermediary as mentioned in paragraph seven of Article L. 228-1 of the French Commercial Code registered on behalf of one or more third-party owners, he/she transmits this request to him/her, unless the Company or its agent expressly asks for this not to happen at the time of the request. The questioned registered intermediary is required to transmit the information to the custodian, who is responsible for communicating it on the latter's behalf, as the case may be, to the Company or its agent or to the central depository. If the identity of the holder or holders of the shares is not

disclosed, the votes or powers issued by the financial intermediary registered on behalf of the shareholder shall not be taken into consideration.

Lastly, the Company may ask any legal person holding more than 2.5% of the share capital and voting rights to disclose the identity of persons holding, either directly or indirectly, more than one-third of the legal person's share capital or voting rights exercised at General Meetings.

In the event of the failure of shareholders or financial intermediaries to comply with these disclosure requirements, in accordance with conditions stipulated by law, voting rights and rights to the payment of dividends attached to shares or securities giving immediate or future access to share capital may be suspended or canceled.

In addition to the statutory obligation to inform the Company when certain percentages of share capital and attached voting rights are reached, any natural or legal person (including any intermediary registered as holding securities belonging to persons domiciled outside France), either alone or in concert with other natural or legal persons, who comes to hold or ceases to hold 1% of capital or voting rights or any multiple thereof, by any means, shall inform the Company, within 5 trading days of crossing either of these thresholds, by recorded delivery letter, the number of shares and voting rights that it holds, as well as the number of other shares or voting rights deemed to be shares or voting rights held by this person under Article L. 233-7 and L. 233-9 of the French Commercial Code.

The articles of association were updated on May 21, 2021.

9.1.4 Publicly available documents

The Company's articles of association, minutes of General Meetings and other Company documents, as well as historical financial information and any assessments or declarations provided

by experts on the Company's request required to be made available to shareholders, in accordance with applicable legislation, may be viewed at the Company's head office.

9.1.5 Rules of Procedure of the Board of Directors

The Board of Directors has decided to compile, specify and, where necessary, supplement the provisions of the laws, regulations and Company articles of association that apply to it.

To this end, the Board of Directors has drawn up Rules of Procedure, which also incorporate the principles of the AFEP-MEDEF Corporate Governance Code ("AFEP-MEDEF Code") and the application guide for the High Committee on Corporate Governance to which it is affiliated, and organizes the implementation thereof.

These Rules of Procedure describe the organization, operation, powers and responsibilities of the Board of Directors and its Committees, and the ethical rules applicable to Board members.

For the purposes of these Rules of Procedure, the term "Group" refers to the Company and any company or entity controlled directly or indirectly by the Company as per Article L. 233-3 of the French Commercial Code (Code de commerce).

I. Organization and operation of the Board of Directors

Article 1 Appointment of directors

Directors are appointed or reappointed by shareholders at their General Meeting for a three-year term. Directors may be reappointed when their directorship expires. Directors have their terms of office renewed in rotation so that not all directorships are up for renewal at the same time. In order to enable the system of

rotation to operate, the General Meeting of Shareholders can appoint a director for a period of one or two years, on an exceptional basis.

Proposals for appointments are first examined by the Appointments, Compensation and Governance Committee referred to in Articles 9 and 11 below.

Directors must be chosen for their skills, the range of their experience and their desire to take part in defining and implementing the Group's strategy, and therefore for the contribution that they can make to the Board of Directors' work.

In the event of a vacancy in one or more directors' seats due to death or resignation, the Board of Directors may make provisional appointments between two General Meetings. Such appointments are subject to ratification at the next General Meeting. Directors appointed to replace another director will remain in office only for the remainder of their predecessor's term.

No one may be appointed as a Board member or permanent representative of a company if, having passed the age of seventy (70), their appointment brings the number of Board members and permanent representatives of legal entity directors above this age to more than one-third of the Board members.

The Board of Directors ensures that the principles of the AFEP-MEDEF Code are applied in terms of its composition and particularly with regard to the representation of women and independent members.

Article 2 Board of Directors' meetings and deliberations

1. The Board of Directors meets as often as required in the interests of the Company, and whenever the Board deems it appropriate.

Notices of meetings are issued by the Chairman or in his name by any designated person. If the Board of Directors has not met for more than two months, at least one-third of the directors may ask the Chairman to call a meeting to discuss a predetermined agenda. The Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a specific agenda.

Meetings are held at the place specified in the notice to attend.

Meetings are chaired by the Chairman of the Board of Directors. In the event of the absence of the Chairman and, if applicable, the director temporarily appointed to perform this function and the Vice-Chairman or Vice-Chairmen, if applicable, the Board appoints, for each session, one of its members who is present to chair the meeting.

2. A director may appoint another director to represent them during the Board of Directors' deliberations. They may be appointed by any means that unambiguously indicates the delegating director's intentions. Each member may only represent one other member. A director taking part in a Board meeting by videoconferencing or telecommunications systems, under the conditions set out below, may represent another director.

The provisions from the previous paragraph also apply to the permanent representatives of legal entities.

The Board of Directors' deliberations are only valid if at least half of its members are present. Decisions are taken based on a majority of the members present or represented. In the event of a tied vote, the Chairman of the meeting has the casting vote.

In accordance with legal and regulatory provisions, the directors may participate in deliberations by video conference or other means of telecommunication that allow for them to be identified.

The videoconferencing or telecommunications systems must as a minimum transmit the participant's voice and comply with technical requirements that guarantee the identification of the directors concerned and their effective participation in the Board meeting, whose deliberations must be relayed continuously and without any time lag. They must also guarantee the confidentiality of the deliberations.

Videoconferencing enables those attending Board of Directors meetings by such means to be seen, using a camera, and heard through simultaneous voice transmission. The system used must also enable both those attending the meeting by such means and those attending the meeting in person to recognize each other.

Telecommunication involves the use of a telephone conference system that enables those attending the meeting in person and those attending by telephone to recognize the voice of each speaker beyond any conceivable doubt.

If there is any doubt or if reception is poor, the Chairman of the meeting may decide to continue the Board meeting without counting participants whose presence or voice cannot be identified with sufficient certainty in the quorum or majority, provided that enough Board members remain for the meeting to continue to be quorate. If a technical malfunction affects the videoconference or telecommunications systems during a meeting such that the confidentiality of discussions can no longer be ensured, the Chairman may decide to stop the participation of the Board member concerned.

When a videoconference or telecommunications system is used, the Chairman of the Board of Directors must ensure beforehand that all the members invited to attend the Board meeting by such means have the required technical resources with which to do so in accordance with the required conditions.

The minutes of the meeting indicate the names of anyone attending the meeting using videoconference or telecommunications systems, and note any interruptions or technical incidents that took place during the meeting.

Directors who attend Board meetings by videoconference or telecommunications are considered to be present for calculating the quorum and majority.

Moreover, the Chairman may authorize a director to attend meetings using any other telecommunications system, but this participation is not taken into account when calculating the quorum and majority.

The Board of Directors may also authorize persons who are not members of the Board to attend Board meetings, in an advisory capacity and without voting rights, including with videoconference or telecommunications systems.

3. An attendance register is maintained and signed by the Board members attending the meeting.

The attendance register includes the participation of Board members by video conferencing or other means of telecommunication.

4. In accordance with Article 18 of the Company's articles of association, in the restricted cases permitted by law, the Board of Directors' decisions may be taken through a written consultation.

On this date, these cases are as follows:

- the provisional appointment of Board members if a seat is vacant;
- the authorization of deposits, sureties and guarantees given by the Company;
- the compliance of the articles of association with the legislative and regulatory provisions, under a delegation from the Extraordinary General Meeting;
- the convening of the General Meeting;
- the transfer of the head office within the same county (*département*);
- and more generally, any decision relating to the Board of Directors' specific remit expressly determined by the legislation or regulations in force.

If requested by the Chairman, the consultation is issued by the Board Secretary to each director, indicating the appropriate timeframe for replying. This timeframe for replying is assessed on a case-by-case basis by the Chairman depending on the decision to be taken, according to the urgency or the time for consideration required for votes to be submitted.

The document provided to this effect indicates the conditions for the consultation (including the deadline for replying), its purpose, a presentation of the proposed decision and its reasons, and the proposed deliberation. It includes a section where the directors indicate their name and how they would like to vote; they can also add comments, if applicable, and sign the document.

Directors reply by returning this completed document to the Board Secretary or by replying to the email sent to them by the Board Secretary and indicating how they would like to vote.

Decisions are taken by a simple majority of the directors representing the quorum, except in cases when the articles of association or these Rules of Procedure set different rules for the decisions subject to the consultation.

Directors who have not replied within the timeframe set are not included in the quorum for taking the decisions concerned by the consultation, unless the timeframe is extended.

The Secretary of the Board of Directors consolidates the directors' votes concerning the proposed deliberation and informs the Board of the outcome of the vote. If applicable, this information mentions any comments expressed by the directors.

Decisions are formalized in minutes, which are signed and retranscribed in the register of the Board of Directors' decisions.

The use of email is suitable for the written consultation process, enabling, insofar as possible, potential comments to be shared before the end of the timeframe so that they can be responded to.

If necessary, the terms of these Rules of Procedure will be interpreted to allow them to be adapted for such written consultation.

Article 3 Minutes

The Board of Directors' deliberations are recorded in minutes signed by the Chairman of the meeting and at least one director. The minutes are approved at the next meeting; to this end, a draft is sent to each director beforehand.

The minutes mention any videoconference or telecommunications means used and the name of each director who attended a Board meeting by such means. The minutes mention any technical incidents that occurred during the meeting.

To be valid, copies of or excerpts from minutes must be certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Deputy Chief Executive Officer, a director to whom the duties of Chairman have been temporarily delegated or the recipient of a power of attorney to that effect.

Article 4 Compensation of members of the Board of Directors

1. The Board of Directors may receive total annual compensation determined by the General Meeting.
2. The amount of total compensation awarded in this way by the General Meeting, pursuant to Article 22-I of the articles of association, is shared out by the Board of Directors, based on proposals or advice from the Appointments, Compensation and Governance Committee, as follows:
 - a fixed component allocated to each director;
 - a variable portion determined according to actual attendance at Board meetings.

All members of the Board of Directors may also receive fixed compensation in recognition of their particular experience or specific assignments entrusted to them.

The Board of Directors may also award exceptional compensation for special assignments or duties entrusted to its members.

The members of the Board of Directors may claim for reasonable expenses relating to the performance of their duties upon presentation of receipts.

II. Board of Directors' remit and powers

Article 5 Board of Directors' missions and powers

The Board of Directors is a collegiate body that collectively represents all of the shareholders and acts in the interests of the Company under all circumstances.

The Board of Directors performs the missions indicated in Article L. 225-35 of the French Commercial Code.

The Board of Directors undertakes to promote the Company's long-term value creation, taking into account the social and environmental stakes involved with its activities. It proposes, if applicable, any changes to the articles of association that it considers appropriate.

On the proposal of Senior Management, the Board of Directors determines the multi-year strategic guidelines in terms of social and environmental responsibility. It defines specific objectives for the climate strategy over different time horizons; it reviews the results obtained on an annual basis as well as the opportunity, where applicable, for adapting the action plan or modifying the predefined objectives.

If applicable, the Board of Directors ensures that arrangements are put in place to prevent and detect corruption and influence-peddling.

The Board of Directors also determines how the Company's Senior Management will be organized, i.e. whether it may be performed by the Chairman of the Board of Directors or by an individual, who may or may not be a director, appointed by the Board and holding the title of Chief Executive Officer.

The Board of Directors exercises the powers provided for by law and the articles of association. To this end, it has a right of information and disclosure, and may be assisted by Specialized Committees.

The Board of Directors ensures that shareholders and investors are provided with relevant, balanced and instructive information concerning the Company's strategy, business model, long-term outlook and how it takes into account major sustainability issues.

A. Board of Directors' specific powers

The Board of Directors reviews and approves the full-year and half-year parent company and consolidated financial statements and the reports presented on the business and results of the Company and its subsidiaries; it draws up the forward-looking management documents. Each year, the Board of Directors deliberates on the Company's workplace equality and equal pay policy. Each year, it draws up and determines the terms of the corporate governance report as provided for in Article L. 225-37 of the French Commercial Code.

It convenes the General Meetings and may issue securities if such powers are delegated to it.

B. Board of Directors' prior authorizations

In addition to the prior authorizations expressly provided for by law concerning deposits, sureties and guarantees given on the Company's behalf and the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Board of Directors has decided, as an internal measure, to require its prior authorization for certain management transactions carried out by the Company, as set out in Article 8 below.

Article 6 Information and disclosure to the Board of Directors

Throughout the year, the Board of Directors carries out the verifications and controls it deems appropriate. The Chairman or the Chief Executive Officer is required to provide directors with all the documents and information they require to perform their duties.

The information required for Board deliberations is disclosed to the members of the Board of Directors, as appropriate, before Board meetings and insofar as confidentiality requirements do not preclude such disclosure.

The Board of Directors is regularly provided with, and may consult at any time, information relating to changes in the Group's activity, Human Resources and results, its major risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken in response to them, its financial and cash position, as well as any significant events and operations relating to the Company. The Board of Directors is provided at least once every six months with:

- a report on the activities of the Company and its main subsidiaries, including revenues and changes in results;
- a report on investments and disposals;
- a summary of debt and the credit facilities available to the Company and its main subsidiaries;
- the status of the Group's off-balance sheet commitments.

The members of the Board of Directors also receive information relating to market trends, the competitive landscape and the main issues, including in terms of the Company's Corporate Social Responsibility.

Directors may request meetings with the Group's senior executives, including without executive corporate officers being present, providing that the latter are informed in advance. In the performance of its mission, the Board may also call upon any external advisors or experts that it deems useful.

Between meetings of the Board of Directors, directors are provided with all important information relating to the Company and, in particular, all documents distributed by the Company to its shareholders.

Article 7 Chairman of the Board of Directors

The Chairman of the Board of Directors organizes and supervises the Board of Directors' work and reports on it at the General Meeting. The Chairman ensures that the Company's various bodies operate effectively and, more specifically, that the directors are able to perform their duties.

Shareholders' relations with the Board of Directors, particularly concerning corporate governance matters, are entrusted to the Chairman of the Board of Directors, along with any specific ad hoc or long-term missions that the Board may wish to assign to the Chairman. The Chairman reports to the Board of Directors on his or her missions.

The Chairman is appointed for a term that may not exceed his or her directorship as a director. On reaching the age limit of seventy-five (75), the Chairman will remain in office until his or her term expires.

If the Chairman is temporarily indisposed or dies, the Board of Directors may delegate the duties of Chairman to a director. If the Chairman is temporarily indisposed, this delegation is given for a limited term and is renewable. If the Chairman dies, the delegation remains valid until a new Chairman is appointed.

Article 8 Senior Management

Under Article L. 225-56 of the French Commercial Code, the Chief Executive Officer has the broadest powers to act under any circumstances on behalf of the Company. He/she exercises those powers within the limit of the corporate purpose subject to the powers expressly granted by law to General Meetings of Shareholders and to the Board of Directors. It represents the Company in its relations with third parties.

However, the Board of Directors has decided that its prior authorization, as an internal measure, is required for:

- any transaction likely to affect the strategy of the Company and/or the companies it controls, their financial structure or the scope of their activity, in particular the signing or termination of any agreement likely to have a material effect on the future of the Company and/or its subsidiaries;
- any transaction or commitment exceeding Euro 10 million (10,000,000) and, in particular:
 - any operation to subscribe for or purchase marketable securities, any deferred or immediate acquisition of an interest in any group or company on a de jure or de facto basis; any complete or partial divestment of interests or marketable securities;
 - any acquisition or assignment of claims, lease rights or other intangible assets;
 - any contribution or exchange, with or without consideration, affecting assets, rights, stocks or securities;
 - any acquisition or disposal of properties or real-estate rights;
 - any issue of securities by companies controlled directly or indirectly by the Company;
 - any measure with a view to granting or obtaining any loan, credit or cash advance;
 - any transactions and any settlements in the event of disputes.

However, the threshold of Euro 10 million (10,000,000) does not apply for the Group's internal transactions, which require the joint approval of the Chief Executive Officer and the Deputy Chief Executive Officer depending on the scope of the latter's powers, as decided by the Board of Directors upon appointment of the Deputy Chief Executive Officer.

As agreed with the Chief Executive Officer, the Board of Directors determines the scope and term of any powers granted to the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer when dealing with third parties.

As an internal measure, the Deputy Chief Executive Officer may carry out, acting alone, any transaction or commitment for Euro one million (1,000,000) or less, including:

- any operation to subscribe for or purchase marketable securities, any deferred or immediate acquisition of an interest in any group or company on a de jure or de facto basis; any complete or partial divestment of interests or marketable securities;
- any acquisition or sale of receivables, lease rights or other intangible assets;
- any contribution or exchange, with or without outstanding balances, concerning assets, rights, stocks or securities;
- any acquisition or sale of real estate rights or assets;
- any issue of marketable securities by directly or indirectly controlled companies;
- any transactions and any settlements in the event of disputes.

Transactions or commitments for amounts of between Euro 1 million (1,000,000) and Euro 10 million (10,000,000) will only be carried out by the Deputy Chief Executive Officer with the express written approval of the Chief Executive Officer.

In addition, Senior Management, represented by the Chief Executive Officer or the Deputy Chief Executive Officer, may be authorized for a renewable period of one year to carry out, within the limits of the total amounts set each year by the Board of Directors, the following operations:

- loans, confirmed credit facilities, all financing agreements and cash advances:
 - negotiate and set up loans, confirmed credit facilities, cash advances and all financing agreements, whether syndicated or not, including their renewal and extension, up to a pre-determined annual limit.
- short-term negotiable securities:
 - negotiate and set up a program of short-term negotiable securities for a pre-determined maximum amount and negotiate and issue short-term negotiable securities for a pre-determined maximum outstanding amount.
- bond issues:
 - issue bonds, for a maximum total annual amount to be determined and, in this respect, set the characteristics and terms and conditions thereof and arrange all related market transactions.

In addition, the Chief Executive Officer may be authorized, for a renewable period of one year, to carry out the following transactions, within the limit of the overall amounts set each year by the Board of Directors:

- deposits, sureties and guarantees:
 - (i) grant deposits, sureties and guarantees in the Company's name up to a pre-determined limit and continue with any deposits, sureties and guarantees granted previously;
 - (ii) grant deposits, sureties and guarantees in the Company's name to guarantee the commitments made by controlled companies as defined by section II of Article L. 233-16 of the French Commercial Code, without any limits in terms of amount; and
 - (iii) grant deposits, sureties and guarantees in the Company's name with regard to tax and customs authorities with no restrictions in terms of amount.

Senior Management regularly informs the Board of Directors of the use of such authorizations.

The Chief Executive Officer and the Deputy Chief Executive Officer may temporarily delegate some or all of the powers granted to them, apart from in the case of bond issues.

All of these authorizations apply to transactions concerning both the Company itself and the companies that it directly or indirectly controls.

III. Committees

Article 9 Specialized Committees – Common provisions

Pursuant to Article 19-III of the articles of association, the Board of Directors may establish one or more Specialized Committees, the composition and remit of which it will determine, and which will conduct their activities under its responsibility. This remit may not delegate to the Committee powers that are granted to the Board of Directors by law or by the articles of association. Each Committee reports to the Board of Directors on its assignments.

Committees will have at least three members, drawn from directors who are individuals or permanent representatives of directors that are legal entities or non-voting directors, appointed by the Board of Directors. The members are appointed in a personal capacity and cannot be represented by others.

The term of office of Committee members is set by the Board of Directors. The term of office of Committee members may be renewed.

The Board of Directors appoints a Chairman for each Committee for a maximum term corresponding to that of his or her term of office as a member of the Committee.

Each Committee will decide how often it meets.

As required, each Committee may decide to invite any person of its choice to attend its meetings.

Meetings are chaired by the Chairman of the Committee. In the event of the absence of the Chairman, the Committee appoints, for each meeting, one of its members present to chair the meeting.

Committee meetings are valid if at least half of the members are in attendance. Members who take part in Committee meetings by video conferencing or telecommunication means are deemed to be present under the conditions set for Board meetings.

The Committee's opinions are adopted by a simple majority of the Committee members present, with the Chairman of the Committee or, where applicable, the Chairman of the meeting, having a casting vote in the event of a tie.

The minutes of each Committee meeting will be drawn up, except where otherwise provided, under the authority of the Chairman of the Committee or, where applicable, the Chairman of the meeting, and sent to the Committee members. They are also made available to all Board members once they have been approved by the Committee. The Chairman of the Committee or, where applicable, the Chairman of the meeting, reports to the Board of Directors on the Committee's work.

A report on each Committee's activity will be given in the Company's annual report, and specifically in the Board of Directors' corporate governance report.

Within the scope of its remit, each Committee will issue proposals, recommendations and opinions as appropriate. To that end, it may carry out or commission any studies likely to inform the Board of Directors' discussions.

Committee members receive additional compensation awarded by the Board of Directors, as recommended by the Appointments, Compensation and Governance Committee.

At its meeting of August 22, 2005, the Board of Directors established:

- an Audit Committee, renamed on October 24, 2017 the Audit, Risks and Sustainable Development Committee;
- an Appointments and Compensation Committee, known since January 20, 2021 as the Appointments, Compensation and Governance Committee; and
- an Investment Committee, renamed the Strategy and Transformation Committee on January 20, 2021, and known since February 14, 2024 as the Sustainable Investment Committee.

Each Committee draws up a set of rules, subject to the Board of Directors' prior approval, describing its organization, operation, remit and attributes.

Article 10 Audit, Risks and Sustainable Development Committee

10.1 Composition – Organization

The Audit, Risks and Sustainable Development Committee will have at least three members, appointed by the Board of Directors from those of its members who have financial and management experience, with at least two-thirds independent directors. The Audit, Risks and Sustainable Development Committee will not include any executive corporate officers.

The Committee meets at least three times a year, as convened by its Chairman, who may organize any additional meetings when required. The Committee also meets at any time at the request of at least half of its members or at the request of the Chairman of the Board of Directors or Senior Management.

Deputy Chief Executive Officers are invited to attend all meetings of the Audit, Risks and Sustainable Development Committee.

The Committee may consult any person of its choice from the Group's functional departments, even if Senior Management is not present. In the performance of its mission, it may call upon any external advisors or experts that it deems useful.

A dialogue between the members of the Committee and the Company's Statutory Auditors, without the presence of the operational departments, is organized each year.

The Committee reports to the Board of Directors on its work, research and recommendations, and the Board of Directors has full responsibility and discretion to decide on the next steps that it intends to take based on them.

10.2 Missions and powers of the Audit, Risks and Sustainable Development Committee

In accordance with Article L. 823-19 of the French Commercial Code, the Audit, Risks and Sustainable Development Committee, under the Board's responsibility, oversees matters relating to the preparation and control of accounting and financial information.

10.2.1 Review of the accounts and financial statements

The Audit, Risks and Sustainable Development Committee's principal assignments are to assist the Board of Directors with its mission relating to the review and approval of the full-year and half-year financial statements.

In the context of monitoring the process used to prepare the accounting, financial and sustainability reporting information, the Committee reviews the full-year and half-year financial statements of the Company and of the Group and the related reports before they are approved by the Board of Directors. The Committee ensures that these are consistent with that it is aware of, considering the appropriate nature of the accounting principles used and choices made and their compliance with the accounting standards in force.

In the context of monitoring the process to prepare the financial and sustainability reporting information, the Committee makes recommendations, where necessary, to guarantee the integrity of this information.

It reviews the conditions for the close of accounts, as well as the type, extent and outcome of work carried out by the Statutory Auditors for this occasion in the Company and its subsidiaries.

As such, the Committee consults with the Statutory Auditors, including without the representatives of the Company being present, and has access to their analyses and findings.

10.2.2 Statutory Auditors

The Audit, Risks and Sustainable Development Committee:

- oversees the procedure for selecting Statutory Auditors and is informed of the procedure implemented within Group subsidiaries. It issues recommendations concerning the candidates to be submitted for appointment or reappointment by the General Meeting, which are brought to the attention of the Board of Directors and drawn up in accordance with applicable rules and regulations;
- ensures that the Statutory Auditors, with whom it has regular contact, comply with the independence conditions defined by the applicable legislation. To this end, it reviews all their dealings with the Group and issues an opinion on the fees they request;
- approves the provision of services other than the certification of the financial statements that may be provided by the Statutory Auditors or members of their network in accordance with the applicable legislation. It defines the procedure for approval under the conditions set by the relevant authorities, when applicable;

- monitors the Statutory Auditors' performance of their mission. It reports to the Board of Directors on the results of the mission to certify the financial statements, the way in this mission has contributed to the integrity of the financial information, and the role it has played in this process.

10.2.3 Monitoring of the efficiency and effectiveness of the internal control and risk management systems

The Audit, Risks and Sustainable Development Committee:

- monitors the efficiency and effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit systems, in terms of procedures relating to the preparation and processing of accounting and financial information, without infringing on its independence. It reviews the Company's exposure to financial and sustainability risks;
- periodically reviews the internal control procedures and, in general, the audit, accounting and management procedures in place within the Company and the Group, liaising with the Chief Executive Officer, internal audit departments and the Statutory Auditors. It thus acts as the liaison body between the Board of Directors, the Group's Statutory Auditors and the internal audit departments;
- is responsible for examining any transaction, fact or event that could have a significant impact on the situation of the Company or its subsidiaries in terms of commitments and/or risks. It is responsible for checking that the Company and its subsidiaries have the appropriate means (auditing, accounting and legal) in place to prevent risks and anomalies concerning the management of the Group's business;
- reviews the cybersecurity system;
- examines the actions implemented in terms of compliance and ethics.

In accordance with the guidelines for agreements between related parties, significant transactions entered into between Mercialis or its fully-owned subsidiaries on the one hand and Related Parties on the other hand may be referred to the Audit, Risks and Sustainable Development Committee, when these agreements or transactions reach the significance threshold set by the guidelines. The Audit, Risks and Sustainable Development Committee's mission, based on the information submitted by Senior Management for each agreement and/or operation concerned, is to assess the transaction's balance and alignment with the procedure followed in order to approve the corresponding terms. The Audit, Risks and Sustainable Development Committee issues an opinion, which is submitted to Senior Management and made available to the Board of Directors.

10.2.4 Sustainable development

The Audit, Risks and Sustainable Development Committee:

- reviews the guidelines relating to the Group's Corporate Social Responsibility policy, determines the objectives and issues in terms of Corporate Social Responsibility, and ensures the achievement of pre-determined objectives. It also oversees the gradual implementation and ramping up of this policy, and assesses the Group's contribution to sustainable development;
- reviews the Company's exposure to sustainability risks. It monitors the process for the preparation of sustainability information and reviews the Statement of non-financial performance;
- reviews a summary of sustainability ratings on an annual basis;
- is informed of the objectives relating to corporate social responsibility included in the variable compensation of Senior Management and assesses the level of achievement of these performance criteria;

- identifies and discusses emerging trends in corporate social responsibility and their consideration by the Company.

Article 11 Appointments, Compensation and Governance Committee

11.1 Composition – Organization

The Appointments, Compensation and Governance Committee has a minimum of three members, including the Chairman of the Board of Directors. The majority of its members are independent directors. The Appointments, Compensation and Governance Committee must not include any executive corporate officers. Its Chairman is chosen from among the independent directors.

The Committee meets at least twice a year, as convened by its Chairman, who may organize any additional meetings when required. The Committee also meets at any time at the request of at least half of its members or at the request of the Chairman of the Board of Directors or Senior Management.

Liaising with the Chief Executive Officer, the Committee can rely on the cooperation of the Group's Human Resources Department and Chief Financial Officer, particularly with regard to information for the Committee concerning the compensation policy for key executives.

In the performance of its missions, it may call on any external advisors or experts that it deems useful.

The Committee reports to the Board of Directors on its work, research and recommendations, and the Board of Directors has full responsibility and discretion to decide on the next steps that it intends to take on the basis thereof.

11.2 Missions and powers of the Appointments, Compensation and Governance Committee

11.2.1 Missions relating to compensation

The Appointments, Compensation and Governance Committee must:

- prepare to set the overall compensation budget for Board members and the conditions for the distribution of compensation awarded to the directors and non-voting directors, if applicable;
- prepare to set the compensation for the Chairman of the Board of Directors, if the Chairman and Chief Executive Officer roles are separated;
- prepare to set the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, and propose, if applicable, the qualitative and quantifiable criteria for determining the variable component of this compensation, by incorporating several criteria related to social and environmental responsibility, including at least one criterion related to the Company's climate objectives;
- assess all the other benefits and compensation awarded to the Chief Executive Officer and, if applicable, the Deputy Chief Executive Officer(s);
- review the proposed share subscription or purchase option and bonus share plans for employees and executives to enable the Board of Directors to set the total and/or individual number of warrants, options or shares awarded and the terms and conditions for awarding them.

11.2.2 Missions relating to appointments and governance

The Appointments, Compensation and Governance Committee is tasked with:

- periodically reviewing the structure, size and composition of the Board of Directors;
- reviewing the independent status of directors;
- proposing the reappointment or appointment of directors to maintain a balanced composition of the Board of Directors: it organizes the selection procedure; on the basis of the needs defined by the Board of Directors, it may call upon an external recruitment firm to identify potential candidates; it examines the candidates in terms of their business experience, their expertise and their economic, social and cultural representativeness;
- reviewing the candidates for the position of Chief Executive Officer and, if applicable, Deputy Chief Executive Officer;
- drawing up a succession plan for executive corporate officers;
- reviewing the draft corporate governance report each year;
- assessing the position of each director in light of any relationship they might have with the Company or Group companies that might compromise their freedom of judgment or lead to potential conflicts of interest with the Company. The Committee may examine any situation of potential or actual conflict of interest of a director and decide on the follow-up to be given;
- preparing and updating the Board of Directors' Rules of Procedure, the charters for the Specialized Committees set up within the Board, as well as the charter for related party agreements;
- reviewing the changes in corporate governance rules (particularly in connection with the Afep-Medef Code) and identifying emerging practices or significant developments concerning corporate governance regulations and/or practices in France;
- carrying out regular appraisals of the Board of Directors and ensuring that the application of governance rules is respected within the Board with regard to the Afep-Medef Code and the High Committee on Corporate Governance application guide;
- examining issues relating to diversity, professional equality and gender parity within the Company.

Article 12 Sustainable Investment Committee

12.1 Composition – Organization

The Sustainable Investments Committee is composed of at least three members, including the Chairman of the Board of Directors and the Chief Executive Officer, if he or she is a director. The majority of its members are independent directors.

The Committee meets at least three times a year and at least once every half-year period, as convened by its Chairman, who may organize any additional meetings when required.

The Committee also meets at any time at the request of at least half of its members or at the request of the Chairman of the Board of Directors or Senior Management.

The Chief Executive Officer and Deputy Chief Executive Officers are invited to attend all Committee meetings.

Liaising with the Chief Executive Officer, the Committee is able to count on the cooperation of the functional and operational departments of the Company and its relevant subsidiaries.

In the performance of its mission, it may also call on any external advisors or experts that it deems useful.

The Committee reports to the Board of Directors on its work, research and recommendations, and the Board of Directors has full responsibility and discretion to decide on the next steps that it intends to take based on them. The Board of Directors may also refer specific matters relating to its missions and remit to the Committee.

12.2 Missions and powers of the Sustainable Investment Committee

The Sustainable Investment Committee is responsible for:

- reviewing the development strategy and ensuring that acquisitions and disposals are consistent with this strategy; the Committee is regularly informed of any investment projects and sales of assets carried out;
- examine and formulating an opinion on investment or arbitration projects subject to prior authorization from the Board of Directors;
- reviewing and issuing an opinion on the investment plan.

The Committee takes into account aspects related to corporate social responsibility when reviewing strategic projects, whether they relate to operational activities, investments or disposals. It ensures the performance of ESG due diligence (environmental, social and governance) in the context of investments and arbitration.

The Committee examines the certification attesting to the environmental performance of assets.

In accordance with the charter for related-party agreements, significant transactions entered into between the Company or its fully-owned subsidiaries on the one hand and related parties on the other hand may also be referred to the Sustainable Investment Committee, when these agreements or transactions reach the significance threshold set by the charter. The Sustainable Investment Committee's mission, based on the information submitted by Senior Management for each agreement and/or operation concerned, is to assess the transaction's balance and alignment with the procedure followed in order to approve the corresponding terms. The Sustainable Investment Committee issues an opinion, which is submitted to Senior Management and made available to the Board of Directors.

IV. Non-voting directors

Article 13 Non-voting directors

The Ordinary General Meeting may appoint non-voting directors, who may be individuals or legal entities, chosen from among the shareholders. The Board of Directors may appoint a non-voting director subject to ratification at the next General Meeting.

There may not be more than two non-voting directors. Their directorship is three years. They may be reappointed without limitation.

A non-voting director will be considered to have resigned automatically at the end of the Ordinary General Meeting that votes on the financial statements for the year during which the non-voting director reached the age of eighty (80).

Non-voting directors attend Board meetings and provide comments and advice and take part in deliberations in an advisory capacity.

They may receive compensation for their services, the aggregate amount of which is set by shareholders at their Ordinary General Meeting and maintained until a new decision is taken at another General Meeting. The Board of Directors divides such compensation between the non-voting directors as it deems appropriate, as proposed by the Appointments, Compensation and Governance Committee.

V. Ethical rules applicable to members of the Board of Directors

Article 14 Principles

All directors must be able to perform their duties in accordance with the rules of independence, ethics and integrity.

In accordance with the principles of corporate governance, all directors will perform their duties in good faith, in the way they consider best to further the Company's interests and with the due care expected of any normally prudent person performing such duties.

All directors undertake, in all circumstances, to maintain their freedom of appreciation, judgment, decision and action and to reject all pressure, direct or indirect, that may be exerted on them.

Article 15 Information provided to directors

Before accepting their assignment, all directors must acquaint themselves with the laws and regulations relating to their position, the applicable good governance practices and codes, and any requirements specific to the Company arising from its articles of association and these Rules of Procedure.

Directors have a duty to request the information which they believe necessary to fulfill their role. To this end, they must submit a request to the Chairman of the Board, within the appropriate time limits, for all useful information required to effectively participate in meetings with respect to the matters on the Board's agenda.

Each director may, if he or she deems it necessary, receive additional training on the Group's specific features, businesses, areas of activity and its challenges in terms of cybersecurity, Corporate Social Responsibility, particularly regarding climate-related issues, as well as on accounting or financial aspects in order to further their knowledge.

Article 16 Defense of corporate interests - Absence of conflicts of interest

Although directors are shareholders in their own right, each director represents all of the shareholders and must act in the interests of the Company under all circumstances.

Each director has a duty of loyalty to the Company. He or she will not act in any way that would be contrary to the interests of the Company or the Group's companies.

All directors undertake to verify that the Company's decisions do not favor one category of shareholders over another.

All directors must notify the Board of any conflict of interests, including potential or future conflicts, that might directly or indirectly concern them. He or she is required to abstain from taking part in discussions and from voting on deliberations on the subjects concerned, both at Board and Committee meetings.

A director must resign in the event of a long-term or recurring conflict of interest that cannot be resolved to the satisfaction of the Board.

Furthermore, each director must consult the Chairman of the Board of Directors before becoming involved in any business activity or accepting any position or obligation that may place them in a situation of actual or potential conflict of interest. The Chairman may refer such matters to the Appointments, Compensation and Governance Committee and/or the Board of Directors.

Article 17 Control and assessment of the Board of Directors' operations

The directors must be attentive to how the powers and responsibilities of the Company's corporate bodies are shared out and exercised.

The directors must verify that no person can exercise uncontrolled discretionary power over the Company. They must ensure that the Specialized Committees created by the Board of Directors can operate effectively.

The Board of Directors conducts an annual appraisal of its own operations, entrusted by the Chairman of the Board of Directors to the Appointments, Compensation and Governance Committee. This appraisal is carried out at least every three years with the assistance of an independent external consultant.

The independent directors meet at least once a year without the presence of the Chairman of the Board of Directors and the Chief Executive Officer.

Article 18 Presence of directors – Accumulation of offices

Each director must comply with current legal provisions governing the accumulation of offices, as well as the recommendations of the AFEP-MEDEF Code.

Each director will inform the Company of any offices held in other French or foreign companies. They will inform the Company of any new office or professional responsibility without undue delay. When directors hold an executive position within the Company, they must also request the opinion of the Board of Directors before accepting a new corporate office in a listed company that does not belong to the Group.

All directors must devote the requisite time and attention to their duties. They will be diligent and attend all Board of Directors' meetings, General Meetings of shareholders and meetings of the Committees that they are members of.

Article 19 Confidentiality

The directors and all other persons who attend Board of Directors' meetings are bound by a duty of confidentiality, which exceeds the simple duty of discretion required by law.

Any information of a non-public nature provided to a member of the Board of Directors in the context of their duties is intended exclusively for them. They must personally ensure that the information is kept confidential and cannot disclose it under any circumstances. The same obligation also applies to the representatives of legal entities who are directors and to non-voting directors.

In the absence of a decision to the contrary taken on a case-by-case basis by the Board of Directors, any director who is a permanent representative of a legal entity is prohibited from sharing the information collected in the course of their directorship with said legal entity (in particular its corporate officers and employees).

Article 20 Shareholdings – Transactions involving Company securities

Each director, whether an individual, legal entity or permanent representative, undertakes to hold the minimum number of shares set out in the Company's articles of association. Each director has six (6) months from taking office to increase the number of shares they hold to this minimum level. The number of shares held should, where possible, correspond to the equivalent of one (1) year of compensation for their activity as a director (calculated based on the assumption that they participate in all the meetings of the Board

and the Committees that they belong to for a given fiscal year, excluding any compensation linked to their position as Chairman of a Committee, and retaining Mercialis' weighted average share price for the previous year ended as the value). Company shares held by the directors (individuals or legal entities) must be held on a direct or administered registered basis in accordance with the legal and regulatory conditions in force. Each director undertakes to not carry out short sales, either directly or indirectly, on such securities.

For individual directors, shares held by their dependent minor children or their spouse when not legally separated must also be held on a registered basis. Furthermore, each director must notify the Company regarding the number of Company shares they hold as at December 31 of each year, at the time of any financial transaction or at any time if requested by the Company.

Each member of the Board of Directors undertakes to comply with the provisions of the Stock Market Code of Ethics relating to the prevention of the use of insider information and securities transactions for which he or she has received prior written information, and all applicable legal or regulatory provisions.

In particular, in accordance with Article 19 of EU regulation No. 589/2014 of April 16, 2014 on market abuse and Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*), each director must inform the French Financial Markets Authority (*Autorité des Marchés Financiers*) and the Company of any transactions carried out on the Company's financial instruments, under the conditions set by the Stock Market Code of Ethics. The same applies to persons who have close ties with members of the Board of Directors. Directors must notify persons with whom they have close ties of their reporting obligations and ensure that the Company has an up-to-date list of these persons at all times.

Directors should note that they are likely to have access to insider information and must ensure, before entering into any transactions on the Company's financial instruments, that they are not in an insider situation.

As stipulated in the Stock Market Code of Ethics in the event of possession of insider information, directors must, in particular, abstain from carrying out, either directly or indirectly or through an intermediary, any transactions on financial instruments to which insider information relates or on instruments to which these financial instruments are related, and must refrain from disclosing said information to third parties, for as long as the information has not been made public.

Moreover, each director must also abstain from carrying out any transactions relating to the Company's financial instruments, directly or indirectly, on his or her own behalf or for a third party, during the 30 days preceding the publication of the Company's full-year and half-year financial statements and during the 15 days preceding the publication of the Company's quarterly revenues, as well as on the day on which said full-year and half-year financial statements and quarterly revenues are published.

VI. Adoption of the Rules of Procedure

These Rules of Procedure were approved by the Board of Directors during its meeting on August 22, 2005. Their most recent update was approved on February 12, 2025.

9.2 Other regulatory disclosures

9.2.1 Factors that may have an impact in the event of a public offer

The structure of holdings in the Company's share capital and of the direct and indirect stakes in the Company's share capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code are provided in § 7.2, p. 345 *et seq.*

The articles of association impose no restrictions on the exercise of voting rights and transfers of shares, nor have any agreements been brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code providing for preferential conditions for the sale or purchase of shares, nor is there any agreement between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights.

The Company has not issued any shares carrying special control rights and there is no control mechanism provided in any employee shareholding scheme when control rights are not exercised by the latter.

Rules applying to the appointment and replacement of Board members, as well as amendments to the Company's articles of association are described in § 9.1.3.2, p. 396 *et seq.*

The powers of the Board of Directors are described in § 4.1.2.1, p. 238, § 4.1.4, p. 240 *et seq.* and § 9.1.5, II, p. 402 *et seq.* As regards share issues and share buybacks, the powers delegated to the Board of Directors are set out in § 7.2.2, p. 346 *et seq.*

Furthermore, there are no agreements providing for compensation for Board members or employees if they resign or are made redundant without just cause or if their employment ends as a result of a public offer.

Bank financing agreements include clauses which state that the debt may, at the request of a lending institution, become immediately refundable in the event of a change of control. Such a change of control will be considered to be effective in the event that a third party, acting alone or in concert, might control the Company within the meaning of Article L. 233-3 I and/or II of the French Commercial Code.

In addition:

- the contract for issuing bonds in connection with the Euro 150 million private placement on November 3, 2017 that reaches maturity on November 3, 2027;
- the contract for the Euro 300 million bond issue arranged on February 27, 2018 and maturing on February 27, 2026;
- the contract for the Euro 500 million bond issue arranged on February 28, 2022 and maturing on February 28, 2029;
- the contract for the Euro 300 million bond issue arranged on September 10, 2024 and maturing on September 10, 2031.

provide for an early redemption option, which can be exercised by investors in the event of a downgrade in Mercialis' long-term senior debt rating, but only if this downgrade is attributable to a change of control of the Company. A change of control will be deemed effective if a person (for the purposes of the bonds issued in 2017, 2018 and 2022, any person other than Casino, Guichard-Perrachon, the companies that control it or its subsidiaries), acting alone or in concert with other persons, comes into possession, directly or indirectly, of more than 50% of the Company's voting rights. A rating downgrade shall be deemed to have taken place:

- in the event of a withdrawal of the rating by a rating agency;
- in the event of a downgrading to non-investment grade, i.e. a downgrade of at least two notches compared to the current BBB rating; or
- if the rating is already non-investment grade, in the event of a downgrade of at least one notch.

9.2.2 Research and development, patents and licenses

Mercialys' real estate development business consists of acquiring, owning and managing retail real estate properties for leasing purposes. In this respect, Mercialis does not conduct any research

and development activities and does not own any patents. Furthermore, the Company considers that its business activity and profitability do not depend on any trademarks, patents or licenses.

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9.2.3 Legal or arbitration proceedings

In the normal course of its business, Mercialis is involved in various legal or administrative proceedings and is subject to administrative checks. The Company sets aside provisions whenever a serious risk threatens to materialize before the end of the fiscal year and it is possible to estimate its financial impact.

In the asset contributions made to Mercialis in October 2005, the Company was substituted for the contributing companies in connection with disputes involving such assets. In accordance with the contribution agreements entered into with the Company, the contributing companies concerned shall pay Mercialis compensation for any prejudice, loss, charge or damage the latter might incur in connection with such disputes.

The main proceedings concern a dispute over rent levels by a tenant. Nevertheless, the risk is very limited; the amount to which the dispute relates, which is the subject of a provision, represents less than 2% of recurring income for 2024.

There are no other governmental, judicial or arbitration proceedings, including any pending proceedings known to the Company or threatening it, likely to have, or having had over the past 12 months, significant impacts on its financial position or profitability.

9.3 Statutory Auditors and person responsible for the Universal Registration Document

9.3.1 Statutory Auditors: identification and fees

9.3.1.1 Principal Statutory Auditors

Ernst & Young et Autres

12 place des Saisons

92400 Courbevoie Paris-La Défense 1

Signatory partner: Sylvain Lauria (since the 2022 fiscal year)

Date of first appointment: August 19, 1999 (articles of incorporation)

Reappointment: General Meeting of April 28, 2022

Date of expiry of term of office: at the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ended on December 31, 2027

KPMG S.A.

Tour Egho - 2 avenue Gambetta - CS 60055

92066 Paris-La Défense Cedex

Signatory partner: Régis Chemouny (since April 2020)

Date of first appointment: May 6, 2010

Reappointment: General Meeting of April 28, 2022

Date of expiry of the term of office: at the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for the fiscal year ended on December 31, 2027

9.3.1.2 Statutory Auditors' fees and fees charged by members of their networks to the Group

Fiscal years covered ⁽¹⁾: years ended December 31, 2024 and December 31, 2023

	Ernst & Young				KPMG S.A.			
	Amount (ex. tax)		%		Amount (ex. tax)		%	
	2024	2023	2024	2023	2024	2023	2024	2023
Recurring audit reviews								
Independent audits, certification, review of individual and consolidated financial statements ⁽²⁾								
• Mercialis SA (parent company)	182,450	175,400	54%	61%	182,450	175,400	70%	81%
• Fully consolidated subsidiaries	69,700	67,100	20%	24%	37,050	35,700	14%	17%
• Sustainability Performance Statements review	47,090	38,000	14%	13%				
Non-recurring reviews								
• Mercialis – Interim dividend								
• Subsidiaries – Interim dividend								
Mercialis – Miscellaneous transactions ⁽³⁾	40,000	5,000	12%	2%	40,000	5,000	15%	2%
TOTAL	339,240	285,500	100%	100%	259,500	216,100	100%	100%

⁽¹⁾ For the period in question, these are the services performed in respect of a fiscal year taken into account in the income statement.

⁽²⁾ Including the services of independent experts or members of the Statutory Auditors' network that they use in connection with the certification of financial statements.

⁽³⁾ In respect of 2024, this corresponds to fees relating to refinancing operations.

9.3.2 Declaration of the person responsible for the Universal Registration Document

Person responsible for the Universal Registration Document

Vincent Ravat,

Chief Executive Officer

"I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, fairly presented and free from material misstatement.

I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and present a true and fair view of the portfolio, financial position and results of the Company and of all the companies included in its scope of consolidation, and that the Management report (see Cross-reference table on pages 408, 409 and 410) presents a true and fair view of changes in the business activity, results and financial position of the Company and of all the companies included in its scope of consolidation and describes the main risks and the uncertainties faced by them."

Pursuant to Article 19 of Directive 2003/71 /EC, the following information is included by reference in this Universal Registration Document:

- for the fiscal year ended December 31, 2023:

The management report, the consolidated financial statements, the Company's annual financial statements and the related Statutory Auditors' reports, included in the 2023 Universal Registration Document, filed with the AMF on March 13, 2024, under reference number D. 24-0104, respectively on pages 414, 136 to 193, 197 to 226, 193 to 196 and 220 to 223;

- for the fiscal year ended December 31, 2022:

The management report, the consolidated financial statements, the Company's annual financial statements and the related Statutory Auditors' reports, included in the 2022 Universal Registration Document, filed with the AMF on March 14, 2023, under reference number D. 23-0091, respectively on pages 451, 136 to 193, 197 to 226, 193 to 196 and 220 to 224.

The information included in these two Universal Registration Documents, aside from that referred to above is, where applicable, replaced or updated by the information included in this Universal Registration Document. These two Universal Registration Documents are available at the Company's head office and on the website www.mercialys.com.

Paris, March 12, 2025

Vincent Ravat

Chief Executive Officer



9.4 Cross-reference tables

9.4.1 Universal Registration Document

This cross-reference table lists the items laid down in Annexes 1 and 2 of Commission delegated regulation (EU) 2019/980 of March 14, 2019 supplementing regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission regulation (EC) 809/2004, and refers the reader to the pages of this Universal Registration Document in which the information relating to each of these items is mentioned:

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The table below provides cross references for the information provided in this document constituting the Annual financial report as required of listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the French Financial Markets Authority (AMF):

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9.4.3 Board of Directors' Management report

The table below provides cross references for the information provided in this document constituting the Board of Directors' management report in accordance with Articles L. 225-100 and L. 225-100-2 of the French Commercial Code:

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9.4.4 Corporate governance report

The table below provides cross references for the information provided in this document constituting the Board of Directors' corporate governance report in accordance with Articles L. 225-37 and L. 225-37-4 of the French Commercial Code:

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9.4.5 Statement of Non-Financial Performance (SNFP)

The table below provides cross references for the information provided in this document constituting the Statement of Non-Financial Performance in accordance with Article L. 225-102-1 of the French Commercial Code:

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9.5 Subject index and glossary

9.5.1 Subject index

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9.5.2 Glossary

Ad'AP

Since January 1, 2015, the scheduled accessibility timetables (*Agendas d'Accessibilité Programmée – Ad'AP*) allow managers or owners of public buildings or facilities open to the public to continue implementing or to implement the accessibility upgrades for their buildings after this date and in compliance with the obligations set by the law of February 11, 2005. An Ad'AP is thus a commitment to complete works within a determined time frame, to finance them and to respect the accessibility regulations, in exchange for the removal of the risks of sanction.

Biodiversity

Biodiversity denotes all living species. It covers the diversity of genes, species and ecosystems and the way in which they interact.

BREEAM (Building Research Establishment Environmental Assessment Method)

BREEAM is the method developed by the Building Research Establishment, a private UK building research body, for assessing the environmental performance of buildings. It is the equivalent of AFNOR's HQE (*Haute Qualité Environnementale*) standard in France (www.breeam.com).

Shopping center

A shopping center is a collection of stores grouped around one or more anchor brands (large food or specialty stores) ensuring a flow of customers or prospects. According to FACT, a shopping center must have at least 20 stores or services, with a gross leasable area (GLA) of at least 5,000 sq.m.

FACT (*Fédération des Acteurs du Commerce dans les Territoires*), formerly the CNCC (French Council of Shopping Centers)

The *Fédération des Acteurs du Commerce dans les Territoires* (FACT) is the French professional organization bringing together all professionals in the shopping center industry (developers, managers, investors, brands, retailers, consultants and service providers) (<https://www.lesacteursducommerce.com>).

Casual Leasing

This concerns small stalls, generally measuring between 6 to 10 sq.m., and temporarily installed in the common areas. They are covered by specific contracts known as short-term Agreements.

Cost of debt

The cost of debt is the average cost of debt drawn down by Mercialis. It incorporates all financial instruments issued in the short and the long term.

Asbestos Technical Report (DTA)

The technical report on asbestos (*Dossier Technique Amiante – DTA*) is a document drafted by a certified agency designed to organize the prevention of asbestos-related risks. The report has been compulsory since January 1, 2006, regardless of the construction date of a building and regardless of its use (residential, work, office building, buildings intended for industrial or agricultural use, common areas of community residential buildings).

EBITDA

Earnings before interest, taxes, depreciation and amortization. The equivalent term in French accounting is *excédent brut d'exploitation*.

Renewable energy

Renewable energy denotes sources of energy that are replenished faster than they are used and are thus inexhaustible on a human scale. Renewable energy is provided by the sun, wind, heat from the earth, waterfalls, tides or plant growth. It generates little waste or emissions.

EPRA (European Public Real Estate Association)

Non-profit organization founded in 1999, bringing together many real estate companies listed on the stock market in Europe. EPRA specifically issues recommendations concerning the publication of financial information, in order to ensure consistency and comparability of a number of financial and operational ratios between real estate companies (www.epra.com).

EPRA NAV (Net Asset Value)

NAV (Net Asset Value) is an indicator of the net market value of the asset of a real estate company. EPRA considers this indicator as providing a long-term vision of the Company's management of its real estate assets. It is calculated exclusive of transfer taxes, deferred taxation, and change in market value of the fixed-rate debt and financial instruments. The ratio measures the value of a real estate company from the viewpoint of the business as a going concern.

EPRA NDV (Net Disposal Value)

Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA NDV provides a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax. This measure should not be viewed as a "liquidation Net Asset Value" because, in many cases, fair values do not represent liquidation values.

EPRA NNAV (Triple Net Asset Value)

NNNAV (Triple Net Asset Value) corresponds to NAV after taking into account deferred taxes and the market value of fixed-rate debt and financial instruments. This ratio aims to assess the spot Net Asset Value of a real estate company.

EPRA NRV (Net Reinstatement Value)

EPRA NRV measures the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallize in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on real estate asset valuation surpluses, are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the Company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.

EPRA NTA (Net Tangible Assets)

EPRA NTA calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability.

ERNMT

The ERNMT is the audit of the natural, mining and technological risks of a given property that informs the buyer or tenant of the potential risks in the municipality where such buyer or tenant plans to buy or rent. The ERNMT should be included in the technical audit dossier (Dossier de Diagnostic Technique – DDT) and given to the future buyer or tenant.

FFO (Funds From Operations)

The FFO is the result of the operations reported by Mercialis. This management indicator corresponds to net profit adjusted for amortization, net capital gains on disposals, impairment of any assets, and other non-recurring items.

Food court

A food court is a space where consumers are offered a wide variety of foods from different counters and where, after having purchased their meal from one of the caterer, they can sit down to eat at a shared table. It can also simply be a group of different traditional restaurants in a specific area. Food courts can be inside or outside.

LFS (Large Food Store)

This is a food store whose gross leasable area is in excess of 750 sq.m.

LSS (Large Specialty Store)

This is a store specializing in a particular sector (sports, household appliances, toys, etc.) whose gross leasable area is in excess of 750 sq.m.

Grenelle Environment Forum

The Grenelle Environment Forum is a series of political meetings which were held in France from July 6 to October 25, 2007. They brought together representatives of government and civil society in order to make long term decisions on the environment and sustainable development. The commitments made during these consultations gave rise to five major pieces of legislation: the so called Grenelle I law, the law on environmental liability, the GMO law, the law on organization and regulation of rail transport, and the so called Grenelle II law. These various laws introduced measures affecting the energy, construction, transport, biodiversity, environmental risk and health sectors.

Interest Coverage Ratio (ICR)

Ratio indicating the rate of cover of financial expenses: relationship between EBITDA and expenses from net financial debt.

Construction Cost Index (ICC)

The Construction Cost Index (ICC) measures the change in the construction cost of new buildings whose main use is non-community residential housing in mainland France. It is a price index based on observation of construction contracts agreed between project owners and the companies providing building works, excluding other housing cost components (land charges, ancillary promotional costs, financial costs, etc.). This index is used, along with the Retail Rent Index (ILC), for the indexation of commercial rents (www.insee.fr).

ICPE

Environmentally protected/classified facilities (*installation classée pour la protection de l'environnement*) are plants, workshops, depots, work sites and, more generally, facilities operated or held by any individual or public or private company, which may present a source of danger or nuisance to the neighboring area with respect to health, safety, public health, agriculture, protection of nature, environment and landscapes, rational use of energy, conservation of sites and monuments or archeological heritage sites.

Retail Rent Index (ILC)

The quarterly retail rent index (*indice des loyers commerciaux* – ILC) consists of the weighted sum of the indices reflecting changes in consumer prices, new construction prices and retail trade revenues. It covers retail tenants and artisans undertaking a commercial activity. This index is used, along with the Construction Cost Index (ICC), for the indexation of commercial rents (www.insee.fr).

Legionella

Legionella are bacteria naturally present in water and mud, responsible for respiratory diseases (lung infection), known as legionnaire's disease. They usually colonize water networks, especially domestic hot water, air-conditioning installations and cooling towers. Certain water sources may trigger legionnaire's disease.

MGR (Minimum Guaranteed Rent)

The leases signed with tenants include either a fixed rent or a double-component rent ("variable rent"). Variable rents are composed of a fixed portion, known as the minimum guaranteed rent, and a portion pegged to the revenues of the tenant operating the retail premises. The minimum guaranteed rent is based on the rental value of the premises.

Loan To Value (LTV)

As its name suggests, this indicator is a measure of the level of debt of real estate companies. It is calculated by dividing consolidated net debt by the appraisal value of total assets, including or excluding transfer taxes, plus the value of equity associates' securities.

Invoiced rents

Rents invoiced by Mercialis to its tenants, excluding lease rights and despecialization indemnities.

Net rental income

Rental revenues, net of expenses on buildings and rental charges and property taxes not rebillable to tenants.

Variable rents

Rents that meet specific contractual clauses, generally established as a percentage of the revenues generated by the tenant. Variable rents are generally in addition to the Minimum Guaranteed Rent (MGR) and are triggered if a tenant reaches certain performance thresholds.

Financial rating

Rating agencies (Standard & Poor's in Mercialis' case) award a financial rating, after a detailed analysis of various corporate financial criteria, to show the borrower's credit quality and the level of risk associated with debt instruments from the issuer.

Stakeholder

A partner, whether individual or collective, that is actively or passively involved in Mercialis' decisions and projects. A stakeholder may be internal (employees) or external (shareholders, customers, suppliers, local authorities, etc.).

Company Savings Plan

A Company Savings Plan (PEE) is a collective savings system which allows a company's employees to build a securities portfolio with the Company's help. The employee's payments to the plan may be topped up by contributions from the Company. The sums are locked in for at least 5 years but may be unlocked in exceptional circumstances.

Company Pension Savings Plan (PERCO)

A Company Pension Savings Plan (PERCO) is a corporate arrangement that enables employees to build savings. The sums are locked in until retirement but may be unlocked in exceptional circumstances. The employee's payments to the plan may be topped up by contributions from the Company. At the time of retirement, the sums are released either as pension payments or, if permitted by the collective agreement, as a lump-sum.

Current scope/like-for-like basis

The current scope includes all of Mercialis' portfolio at a given date, that is to say all assets held in the portfolio over the period analyzed.

The like-for-like basis restates the impact of consolidations (acquisitions and disposals) over the period analyzed, to ensure a stable basis for comparison over time.

Portfolio of development projects or pipeline

The portfolio of development projects, or pipeline, comprises all investments Mercialis plans to make over a given period. These may be renovations, transformations, extensions, creations or acquisitions of assets or companies holding assets.

Mercialis splits its pipeline into three categories:

- committed projects: projects fully secured in terms of land management, planning and related development permits;
- controlled projects: projects effectively under control in terms of land management, with various points to be finalized for regulatory urban planning (constructability), planning or administrative permits;
- identified projects: projects currently being structured, in emergence phase.

Global Warming Potential (GWP)

Global warming potential (GWP) is an indicator that measures the cumulative effect of all the substances that aggravate the greenhouse effect. The indicator currently only tracks direct greenhouse gases (GHG), i.e. the six gases (CO₂, CH₄, N₂O, CFC, HFC, SF₆) listed in the Kyoto protocol. This indicator is expressed in "CO₂ equivalent", because the greenhouse effect attributed to CO₂ is defined as 1 and the effects of other substances are expressed relative to that of CO₂.

Retail Parks

Term used to denote an open-air shopping center with a parking lot shared by all outlets.

Rental revenues

Rents invoiced by Mercialis to its tenants, including lease rights and despecialization indemnities.

NRE (net recurrent earnings)

NRE is the result of the operations reported by Mercialys. It has gradually replaced the notion of FFO (Funds From Operations) presented in previous financial documentation. This management indicator corresponds to net profit adjusted for amortization, net capital gains on disposals, impairment of any assets, and other non-recurring items.

REIT (Real Estate Investment Trust)

The tax regime of REITs (listed real estate investment trusts) was established by the French Finance law No. 2002-1575 of December 30, 2002 and came into effect on January 1, 2003. This regime applies to real estate companies investing in real estate assets with a view to leasing them. In return for a significant distribution of their income (95% of recurring revenues, as determined via parent company's profits, and 70% of capital gains on asset disposals), REITs are exempt from corporate tax.

Built-up area

The total built-up area occupied by buildings or parts of buildings in a shopping center.

Gross leasable area

The Gross Leasable Area (GLA) of a shopping center is the sum of the sales areas of the businesses within it, excluding the collective circulation spaces (aisles in shopping centers). The gross leasable area includes storerooms and technical premises.

Sales area

The sales area is the area dedicated to the circulation of customers when shopping and paying (cash desks), the surface used to display the products sold, and the circulation areas for sales staff. The sales area does not include storerooms and technical premises.

Occupancy Cost Ratio (OCR)

The occupancy cost ratio is the ratio between rent, charges (included marketing funds) and re-invoiced works, including tax, paid by retailers and their sales revenue including tax. Note that the consolidated occupancy cost ratio reported by Mercialys does not include large food stores.

Capitalization rate

The capitalization rate is the ratio between net rental income of the premises leased + the rental value of vacant premises + income from Casual Leasing, relative to the value of assets excluding transfer taxes.

Recovery rate

The recovery rate corresponds, at the end of a period, to the proportion of rents, charges and work invoiced by Mercialys to its tenants that has actually been collected.

Yield rate

The yield rate is the ratio between net rent of the premises leased + the rental value of vacant premises + income from Casual Leasing, relative to the value of assets including transfer taxes.

EPRA Net Initial Yield

The EPRA net initial yield is the ratio of annualized net rental income in relation to the fair value of the asset portfolio including transfer taxes.

EPRA Topped-up Net Initial Yield Rate

EPRA Topped-up Net Initial Yield Rate is annualized net rental income adjusted for rental gains on rent-free periods, step-up rents and other benefits granted to tenants, relative to the fair value of the asset portfolio including transfer taxes.

Yield on cost

The yield on cost is the estimated return on investment projects. For each project, the rate is calculated by dividing the net rental income created by the project by its total implementation cost.

Total vacancy rate

The total vacancy rate is the rental value of all vacant premises relative to the annualized Minimum Guaranteed Rent for occupied premises + the rental value of all vacant premises. The total vacancy rate includes the current financial vacancy rate + the "strategic" vacancy rate which relates to premises deliberately left vacant to facilitate extension/redevelopment plans. It should be noted that the consolidated vacancy rates published by Mercialys do not include agreements related to the Casual Leasing activity.

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MERCIALYS

16-18, rue du Quatre-Septembre - 75002 Paris

E-mail: contact@mercialys.com

www.mercialys.com