

Paris, April 18, 2024

## 2024 first-quarter activity

Organic rental income growth of +4.6%

2024 objectives confirmed

Vincent Ravat, Mercialys' Chief Executive Officer: "Mercialys continued building on its very robust business trends during the first quarter of 2024, with organic growth of +4.6%. The economic environment is stabilizing, with inflation easing and household consumption picking up strength. Alongside this, the Casino group's divestment of the business operations of hypermarkets owned by Mercialys is expected to further strengthen the appeal of the Company's sites, while improving its rental risk profile. Mercialys is therefore able to confirm its objectives for 2024, with net recurrent earnings per share growth of at least +2% and a dividend payout ratio to range from 75% to 95% of 2024 net recurrent earnings".

### I. Very robust organic growth in invoiced rents of +4.6%

During the first quarter of 2024, Mercialys recorded +4.6% **organic growth**. **Invoiced rents** came to Euro 45.5 million, up +4.5% from the first quarter of 2023, reflecting a virtually neutral scope effect for the quarter.

<i>(In thousands of euros)</i>	At March 31, 2023	At March 31, 2024	Change Current basis (%)	Change Like-for-like basis (%)
Invoiced rents	43,501	45,463	+4.5%	+4.6%
Lease rights	132	82	-37.9%	
<b>Rental revenues</b>	<b>43,633</b>	<b>45,545</b>	<b>+4.4%</b>	

The change in invoiced rents reflects the following factors:

	At March 31, 2023		At March 31, 2024	
Indexation	+3.6 pp	+€1.5m	+4.6 pp	+€2.0m
Contribution by Casual Leasing	-1.1 pp	-€0.5m	+0.3 pp	+€0.1m
Contribution by variable rents	+0.8 pp	+€0.3m	+0.7 pp	+€0.3m
Actions carried out on the portfolio	-1.2 pp	-€0.5m	-0.7 pp	-€0.3m
Accounting impact of "Covid-19 rent relief" granted to retailers	+0.9 pp	+€0.4m	-0.3 pp	-€0.1m
<b>Growth (like-for-like)</b>	<b>+3.0 pp</b>	<b>+€1.3m</b>	<b>+4.6 pp</b>	<b>+€2.0m</b>
Asset acquisition and sales	-2.7 pp	-€1.2m	0.0 pp	€0.0m
Other effects	-0.2 pp	-€0.1m	0.0 pp	€0.0m
<b>Growth (current basis)</b>	<b>+0.2 pp</b>	<b>+€0.1m</b>	<b>+4.5 pp</b>	<b>+€2.0m</b>

Invoiced rents benefited from positive **indexation** of **+4.6%** for the first quarter of 2024, factoring in the French commercial rent index (ILC) figures published in 2023 and specifically those for the second and third quarters (+6.60% and +5.97% respectively), which represent nearly 70% of the indexation for 2024.

The contributions from **Casual Leasing** and **variable rents** are up +0.3% and +0.7% respectively for the quarter, reflecting a positive underlying trend for the various sites and the good level of activity for retailers.

The **actions carried out on the portfolio** are down **-0.7%**. The Company's commitment to ensuring the continued sustainability of rents for its retailers, at a time when indexation remains high, while price effects seem to be stabilizing in terms of retailers' activity, is reflected in a moderation of reversion levels. Mercialys is limiting the volatility of the vacancy rate and ensuring the sustainability of tenants within a partnership-based approach.

During the first quarter, Mercialys maintained a positive trend for renewals and relettings, illustrated in particular by the deals signed with Sephora in Nîmes, Intersport in Marseille and Besançon, as well as the homeware retailer Kraft in Quimper.

After factoring in the deferrals applicable under IFRS, lease rights and despecialization indemnities received over the period came to less than Euro 0.1 million for the first quarter of 2024.

In view of these elements, rental revenues totaled Euro 45.5 million in the first quarter, up by nearly Euro +2 million (+4.4%) compared with the corresponding quarter in 2023.

## II. Retailer sales growth of +3.3%

Footfall in Mercialys' shopping centers is up +2.9% at end-March 2024, compared with +2.1% for the Quantaflow national index, outperforming the national benchmark index by +80bp, which reflects the attractive positioning of the Company's centers.

The takeover of the business operations of a large part of the hypermarkets, as presented below, is expected to drive an upturn in footfall at these stores, helping improve the perception of the shopping centers among visitors and retailers. These expectations are illustrated by the change in footfall at the Besançon hypermarket, whose operations were taken over by Intermarché in October 2023, where the strong increase in footfall following the banner transfer (+24.9% in November and +37.5% in December 2023) continued during the first quarter of 2024, with +37.1% growth.

This positive trend for the sites is also reflected in the sales recorded by tenant retailers, up +3.3% at end-March 2024. This sales growth came to +2.3% at end-February 2024, while the national panel (FACT) recorded +1.6% growth over the same period, representing +70bp outperformance for the Company's sites.

The monthly sales figures reported by Mercialys' retailers for March show very robust growth of +6,1%, perfectly aligned with the information published by Procos on April 8. The latter shows a +6.1% increase in activity levels for retailers in March, following -1.5% in January and +0.8% in February. This upturn needs to be confirmed, but several indicators are moving in the right direction, such as the slowdown in inflation and the increase in purchasing power, which are expected to positively impact household consumption over the coming months.

Moreover, following the agreements signed by the Casino group with Intermarché, Auchan Retail and Carrefour, the retailers in the hypermarkets owned by Mercialys will change based on the following schedule:

- Annemasse, Clermont-Ferrand, Fréjus, Gassin, Istres, Lanester, Marseille, Narbonne and Quimper : April 30, 2024;
- Aix, Angers, and Nîmes: May 31, 2024;
- Le Puy: date not yet confirmed.

The Besançon hypermarket already switched to the Intermarché banner in October 2023.

Mercialys' economic rental exposure to food retail, on a pro forma basis at December 31, 2023, would be as follows:

- Auchan: 4.1%
- Intermarché: 5.2%
- Carrefour: 2.0%
- Monoprix: 1.5%
- Aldi: 0.2%
- Lidl: 0.1%
- Casino: 4.7%

The residual exposure to Casino (Géant banner) corresponds to the five hypermarkets or supermarkets located in Corsica (3.6% of rental exposure) and the hypermarkets in Brest (0.6%) and Niort (0.5%). These sites were not included in the overall transactions and will be subject to individual discussions with food operators. The Casino group has not indicated any plans to close stores to date.

Note that pending the potential divestment of business operations at these stores, Casino will continue to hold the leases. The leases for the portfolio in Corsica have an end date of June 2030, with a 3-year break option in June 2027, which would transfer the business operations to the landlord if it was exercised.

The leases for the Brest and Niort hypermarkets have an end date of June 2027, with the 3-year option from June 2024 not exercised.

To date, the Casino group is paying its rents in accordance with its contractual commitments.

### III. Proposed dividend of Euro 0.99 per share

As announced on February 14 with the 2023 full-year earnings release, Mercialys' Board of Directors will submit a proposal at the General Meeting on April 25, 2024 for a dividend of Euro 0.99 per share for 2023, up +3.1% compared with the dividend for 2022.

The proposed dividend corresponds to 85% of 2023 recurrent earnings and offers a particularly attractive yield of 5.8% on the NDV of Euro 17.1 per share at end-2023 and 9.9% on the year's closing share price.

This proposed dividend is based primarily 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 0.86 per share;
- the distribution of exempt income recorded on the Company's balance sheet for Euro 0.13 per share.

The ex-dividend date would be April 29, 2024, with the dividend to be paid on May 2, 2024.

MERCIALYS RENTAL REVENUES								
2023	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Q1	Q2	Q3	Q4
Invoiced rents	43,501	87,910	132,183	177,495	43,501	44,408	44,272	45,312
Lease rights	132	254	395	515	132	122	141	119
<b>Rental revenues</b>	<b>43,633</b>	<b>88,164</b>	<b>132,578</b>	<b>178,010</b>	<b>43,633</b>	<b>44,531</b>	<b>44,413</b>	<b>45,431</b>
Change in invoiced rents	+0.2%	+2.1%	+2.4%	+2.8%	+0.2%	+4.1%	+3.1%	+4.0%
Change in rental revenues	+0.1%	+2.0%	+2.3%	+2.7%	+0.1%	+3.9%	+3.0%	+3.9%
2024	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Q1	Q2	Q3	Q4
Invoiced rents	45,463				45,463			
Lease rights	82				82			
<b>Rental revenues</b>	<b>45,545</b>				<b>45,545</b>			
Change in invoiced rents	+4.5%				+4.5%			
Change in rental revenues	+4.4%				+4.4%			

**Appendix 1 - List of hypermarkets owned by Mercialys**

<b>SITES</b>	<b>Current food operator</b>	<b>Future food operator</b>	<b>Scheduled transfer date</b>
ANNEMASE	Casino Hyperfrais	Intermarché	Apr 30, 2024
AIX-EN-PROVENCE	Casino Hyperfrais	Auchan	May 31, 2024
AJACCIO	Géant Casino	Géant Casino	Not yet sold
ANGERS	Casino Hyperfrais	Auchan	May 31, 2024
BESANCON	Intermarché	Intermarché	Oct 15, 2023
BREST	Casino Hyperfrais	Casino Hyperfrais	Not yet sold
CHAVILLE	Monoprix	Monoprix	Not concerned
CLERMONT FERRAND	Casino Hyperfrais	Intermarché	Apr 30, 2024
CORTE	Casino Supermarché	Casino Supermarché	Not yet sold
FREJUS	Casino Hyperfrais	Auchan	Apr 30, 2024
FURIANI	Géant Casino	Géant Casino	Not yet sold
GASSIN	Casino Hyperfrais	Auchan	Apr 30, 2024
GRENOBLE	Monoprix	Monoprix	Not concerned
ISTRES	Casino Hyperfrais	Auchan	Apr 30, 2024
LANESTER	Casino Hyperfrais	Carrefour	Apr 30, 2024
LE PUY	Intermarché	Carrefour	Date not confirmed
MARCQ-EN-BAROEUL	Monoprix	Monoprix	Not concerned
MARSEILLE-PDC	Casino Hyperfrais	Intermarché	Apr 30, 2024
NARBONNE	Casino Supermarché	Auchan	Apr 30, 2024
NIMES CAP COSTIERES	Casino Hyperfrais	Auchan	May 31, 2024
NIORT	Casino Hyperfrais	Casino Hyperfrais	Not yet sold
PORTO-VECCHIO	Géant Casino	Géant Casino	Not yet sold
PUTEAUX	Monoprix	Monoprix	Not concerned
QUIMPER	Casino Hyperfrais	Intermarché	Apr 30, 2024
TOGA	Géant Casino	Géant Casino	Not yet sold

Source: transfer notification letter received

**Appendix 2 - List of hypermarkets not owned that anchor Mercialys shopping centers**

<b>SITES</b>	<b>Current food operator</b>	<b>Future food operator</b>	<b>Scheduled transfer date</b>
AGEN	Casino Hyperfrais	Intermarché	Apr 30, 2024
ALBERTVILLE	Intermarché	Intermarché	Oct 15, 2023
ANGOULEME	Casino Hyperfrais	Auchan	Apr 30, 2024
ANNECY	Casino Hyperfrais	Auchan	Apr 30, 2024
ARLES	Casino Hyperfrais	Auchan	Apr 30, 2024
AURILLAC	Casino Hyperfrais	Casino Hyperfrais	Not yet sold
BRIVE	Casino Hyperfrais	Casino Hyperfrais	Not yet sold
CARCASSONNE	Casino Hyperfrais	Auchan	May 31, 2024
CHARTRES	Casino Hyperfrais	Intermarché	Apr 30, 2024
DIJON	Casino Hyperfrais	Casino Hyperfrais	Not yet sold
LE PORT	Carrefour	Carrefour	Not concerned
MANDELIEU	Casino Hyperfrais	Auchan	Apr 30, 2024
MARSEILLE-LA VALENTINE	Casino Hyperfrais	Auchan	Apr 30, 2024
MILLAU	Intermarché	Intermarché	Oct 15, 2023
MONTARGIS	Casino Hyperfrais	Carrefour	Date not confirmed
MONTAUBAN	Super U	Super U	Not concerned
MONTPELLIER	Casino Hyperfrais	Intermarché	Date not confirmed
MORLAIX	Casino Hyperfrais	Carrefour	Apr 30, 2024
PARIS MASSENA	Casino Supermarché	Intermarché	Apr 30, 2024
PARIS ST DIDIER	Casino Supermarché	Auchan	Jul 1, 2024
RENNES	Super U	Super U	Not concerned
RODEZ	Super U	Super U	Not concerned
SAINT BENOIT	Carrefour	Carrefour	Not concerned
SAINT PIERRE	Carrefour	Carrefour	Not concerned
SAINTE MARIE	Intermarché	Intermarché	Not concerned
SAINT-ETIENNE	Casino Hyperfrais	Auchan	Apr 30, 2024
TOULOUSE	Casino Hyperfrais	Auchan	Apr 30, 2024
TOURS	Intermarché	Intermarché	Oct 15, 2023
VALENCE	Casino Supermarché	Intermarché	Date not confirmed

Source: newspaper articles

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This press release is available on [www.mercialys.com](http://www.mercialys.com).

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**About Mercialys**

Mercialys is one of France's leading real estate companies. It is specialized in the holding, management and transformation of retail spaces, anticipating consumer trends, on its own behalf and for third parties. At December 31, 2023, Mercialys had a real estate portfolio valued at Euro 2.9 billion (including transfer taxes). Its portfolio of 2,038 leases represents an annualized rental base of Euro 175.5 million. Mercialys has been listed on the stock market since October 12, 2005 (ticker: MERY) and has "SIIC" real estate investment trust (REIT) tax status. Part of the SBF 120 and Euronext Paris Compartment B, it had 93,886,501 shares outstanding at December 31, 2023.

**IMPORTANT INFORMATION**

*This press release 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 actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to Mercialys' Universal Registration Document available at [www.mercialys.com](http://www.mercialys.com) for the year ended December 31, 2023 for more details regarding certain factors, risks 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, new future events or any other circumstances that might cause these statements to be revised.*