



Boulogne-Billancourt, 12 July 2023

## Agreement to acquire Galimmo SCA

On July 12 2023, Carmila signed an agreement with the controlling shareholders of Galimmo SCA to acquire 93% of the company's capital<sup>1</sup>.

The potential acquisition of Galimmo will be completed simultaneously with the acquisition of Cora France by Carrefour<sup>2</sup>.

The complementarity of Carmila and Galimmo's geographical footprints and respective track-records are an opportunity to create a unique player in retail real estate in France.

Galimmo's 52 assets, mostly located in the North-East of France, were valued at €688 million at end-December 2022. The sites will be managed according to the existing and successful rules of the Carrefour/Carmila ecosystem.

The total consideration for the acquisition of 100% of the shares of Galimmo would represent €294 million, to be paid in cash by Carmila. Thanks to Carmila's existing strong financial structure, the proforma Loan-to Value ratio should remain below 38%.

The potential transaction offers a compelling value proposition to Carmila' shareholders, with an implied net initial yield of 9.8% on Galimmo's portfolio and accretion of both Net Asset Value per share and EPRA earnings per share.

The closing of the transaction is expected to occur in the summer of 2024 once all the related anti-trust and regulatory approvals have been obtained<sup>3</sup>.

**Marie Cheval, Chair and Chief Executive Officer of Carmila commented:**

*"The acquisition of Galimmo represents a major milestone for Carmila and marks a further advancement in our longstanding partnership with Carrefour.*

*Building on our experience and success in transforming sites alongside Carrefour hypermarkets, our goal is to capitalize on the potential of the ecosystem across a broader and complementary geographical footprint.*

*This project will create value for Carmila and strengthen our relationships with tenant retailers."*

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<sup>1</sup> Through acquisitions of several blocks of shares and the acquisition of 100% of the shares of the "Associé Commandité"

<sup>2</sup> Please refer to Carrefour press release published on 12 July 2023

<sup>3</sup> Mostly linked to the Cora acquisition by Carrefour



## **Overview of Galimmo**

Established in 2016, Galimmo owns and operates 52 shopping centers in France, all anchored to Cora hypermarkets.

Galimmo's portfolio was valued at €688 million<sup>4</sup> as of end December 2022, with 13 "Shopping" assets (out of total of 52) representing 79% of the total value. The 13 "Shopping" assets are long-established retail destinations.

Galimmo's assets have demonstrated robust and resilient operating performance over the last several years. The 2022 annual Net Rental Income was ca. €42 million, which corresponds to a 5.8% EPRA Net Initial Yield<sup>5</sup>.

Galimmo benefits from a conservative financing structure with a 20%<sup>6</sup> Loan-to-Value ratio.

## **Complementarity of Carmila and Galimmo geographical footprints and respective track-records**

Carmila and Galimmo share the same DNA of owning and managing shopping galleries anchored to hypermarkets. Both teams have demonstrated their ability to pro-actively manage their assets and to create value with repositioning and extensions over several years.

The sites will be managed according to the existing and successful rules of the Carrefour/Carmila ecosystem.

## **Attractive acquisition terms and immediately accretive transaction**

The contemplated acquisition price reflects an implied net initial yield of 9.8%, corresponding to an implied 35% discount versus the appraisal valuation as of end December 2022.

The transaction will be immediately accretive for Carmila's shareholders both on an EPRA Earnings per share and an EPRA Net Disposal Value per share<sup>7</sup> basis. Estimated annual synergies of €5 million (run-rate) are mostly related to overhead costs (excluding staff costs).

The transaction, fully-financed in cash, will have a moderate impact on Carmila's Loan-to-Value ratio, which, for illustrative purposes, would increase slightly from 36% to 38% based on 2022 pro-forma figures.

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<sup>4</sup> French assets excluding transfer taxes

<sup>5</sup> French assets only

<sup>6</sup> As of end December 2022.

<sup>7</sup> Based on 2022 pro-forma figures



### **Transaction structure and mandatory tender offer**

The total consideration for the acquisition of 100% of the shares of Galimmo would represent €294 million<sup>8</sup>, or €9.1 per share, corresponding to a discount of 41% when compared to the EPRA Net Disposal Value per share as of December 31, 2022<sup>9</sup>.

Carmila will file a mandatory tender offer on the remaining Galimmo shares.

### **Indicative timetable**

The closing of the transaction is expected to occur in the summer of 2024 once all the related anti-trust and regulatory approvals have been obtained.

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#### **INVESTOR AGENDA**

**25 July 2023 (after market close):** First-half 2023 results

**26 July 2023:** First-half 2023 results presentation

**20 October 2023 (after market close):** Third-quarter 2023 financial information

#### **ABOUT CARMILA**

As the third-largest listed owner of commercial property in Europe, Carmila was founded by Carrefour and large institutional investors in order to transform and enhance the value of shopping centres adjoining Carrefour hypermarkets in France, Spain and Italy. At 31 December 2022, its portfolio was valued at €6.2 billion, comprising 208 shopping centres, all leaders in their catchment areas.

Carmila is listed on Euronext-Paris Compartment A under the symbol CARM. It benefits from the tax regime for French real estate investment trusts ("SIIC").

Carmila has been a member of the SBF 120 since 20 June 2022.

#### **Important notice**

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<sup>8</sup> Based on 100% of 32,4m Galimmo shares

<sup>9</sup> €15.36 per share



Some of the statements contained in this document are not historical facts but rather statements of future expectations, estimates and other forward-looking statements based on management's beliefs. These statements reflect such views and assumptions prevailing as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or events to differ materially from those expressed or implied in such statements. Please refer to the most recent Universal Registration Document filed in French by Carmila with the Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties. Carmila has no intention and is under no obligation to update or review the forward-looking statements referred to above. Consequently, Carmila accepts no liability for any consequences arising from the use of any of the above statements.

This press release is available in the "Financial Press Releases" section of Carmila's Finance webpage: <https://www.carmila.com/en/finance/financial-press-releases>