Boulogne-Billancourt, 25 July 2023

2023 Half-Year Results

Key information

- **Recurring earnings per share of €0.85, up 2.6% versus first half 2022**
- **Confirmation of expected recurring earnings per share of €1.57 in 2023**
- **Agreement to acquire 93% of Galimmo SCA**

First-half year 2023 trading and financial performance

- **Retailer sales up 7% versus first half 2022**
- **Good level of leasing activity: 417 new leases signed, positive reversion of 0.4%**
- **High financial occupancy (96.1%, -0.1 point versus end June 2022)**
- **Net rental income up 4.5% on a like-for-like basis versus first half 2022**
- **Stable portfolio valuation at constant scope: -0.6% versus end 2022**
- **EPRA Net Tangible Assets per share of €24.35 at end June 2023**
- **Closing of two asset sales agreed in February 2023 for a total amount of €90 million**
- **Sale of an asset in France for €8 million, in line with the appraisal value, as part of the new target to sell €100 million of assets by end 2024**

Solid balance sheet

- **New secured loan of €276 million and bond private placement of €25 million**
- **Additional interest rate hedging since end December 2022**
- **LTV[1] ratio at 37.3% as of 30 June 2023, net debt to EBITDA at 7.7x, ICR at 4.5x**

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

"Carmila has again delivered a strong financial performance in the first half of the year, thanks to its strategy based on pivoting the merchandising mix, growth initiatives and asset rotation.

The solid financial position and operating agility of Carmila, reinforced by the successful execution of its strategy plan, have enabled Carmila to enter a new stage of its development with the acquisition of Galimmo.

The accretive and value creating project will result in the rolling out of the powerful Carrefour/Carmila ecosystem across a complementary geographical perimeter."

[1] EPRA LTV Ratio including Real Estate Transfer Taxes

1. Key financial highlights

	First half 2023	First half 2022	Change	Like-for-like change
Gross rental income (€m)	188.8	182.8	+3.3%	
Net rental income (€m)	175.0	172.2	+1.6%	+4,5%
EBITDA (€m)	153.2	149.5	+2.4%	
Recurring earnings (€m)	121.9	120.1	+1.5%	
Recurring earnings per share (€)	0.85	0.83	+2.6%	

	30 June 2023	31 Dec. 2022	Change	Like-for-like change
Property portfolio valuation (€m) including transfer taxes	6,022	6,166	-2.3%	-0.6%
Net Potential Yield	6.54%	6.37%	+17 bps	
Net Initial Yield	6.26%	6.14%	+12 bps	
EPRA LTV Ratio, including RETTS	37.3%	35.8%	+150 bps	
EPRA LTV Ratio	39.2%	37.6%	+160 bps	
EPRA NDV[2] per share (€)	24.78	25.76	-3.8%	
EPRA NTA[3] per share (€)	24.35	25.26	-3.6%	

2. Trading

Retailer sales up 7% versus first-half 2022

Retailer sales were up by 7% in the first half of 2023 compared with first-half 2022, anchored by the strength of Carrefour hypermarkets. The period saw the continuation of the cost-of-living crisis, but was also marked by an improved economic outlook, inflation levelling off and sustained consumer spending.

Footfall was also higher year on year, rising 3% and demonstrating the relevance of Carmila's shift towards a refreshed merchandise mix, with new retail brands and new products and services. Footfall was also supported by various omnichannel commercial initiatives, in synergy with Carrefour.

The improvement in footfall was particularly significant in Spain (up 5.5% compared with the first half of 2022). Spain is currently experiencing stronger business momentum, notably thanks to tourism, which is fuelling performance for the largest shopping centres in Carmila's Spanish portfolio, located in tourist and coastal areas.

2 Net Disposal Value
3 Net Tangible Assets

The average Occupancy Cost Ratio of Carmila tenants as of 30 June 2023 (last 12 months) was 10.4%, down -10 basis points versus 2022.

Leasing momentum maintained

Carmila's leasing activity was dynamic in the first half of 2023, with 417 new leases signed. Rent levels in the leases signed were 0.4% higher than that of the previous leases.

Momentum remained robust for leasing activity in the first half of 2023, enabling the rapid re-letting of units affected by the court-ordered liquidation of a number of French ready-to-wear retailers. As of 30 June 2023, Carmila tenants concerned by bankruptcy or recovery plans in France represented 2.6% of the rental base (0.6% for court-ordered liquidations).

In France, new leases were signed with the following retailers during the first half of the year:

- In dynamic sectors such as sport, telephony, health and well-being: Fitness Park, Courir, Free, SFR, Bouygues, Qipao Beauty, Alain Afflelou, Lazeo, as well as a number of pharmacies and medical laboratories.
- Innovative and leading retailers: Normal, Blue Box, Lovisa, Adopt', La Boutique du Coiffeur, Le Comptoir de Mathilde, Darty and Leonidas.
- Food service: Crêpe Touch, Subway, Yogurt Factory and Donuts & Donuts.
- Retailers partnered by Carmila Retail Development: Cigusto, Bohébon and Mon Petit Herbier.

Leasing activity was also buoyant in Spain, where new leases were signed with discount brands such as Pepco and Kik. In the food service sector, we are continuing to work with major international brands such as KFC, as well as local independent retailers (including traditional cafés and new trends such as bubble tea shops).

In the sports sector, Carmila signed several new leases with Decimas, a national leader in Spain. Pet stores developed further at Carmila centres in Spain in first-half 2023, with the opening of a new store for the national brand Kiwoco. Lastly, in the health & beauty sector, Carmila continued its partnerships with national brands such as Druni (perfumery) and Soloptical.

The financial occupancy rate at end June 2023 was 96.1%, down -10 basis points versus end-June 2022.

Carmila continues to transform its assets

Carmila continued to implement its strategy of asset transformation through restructuring projects and new restaurant developments. In 2023, Carmila plans to deliver around 30 projects of this kind, for a total investment of approximately €40 million.

None of the five major extension projects (Montesson, Orléans Place d'Arc, Antibes, Toulouse Labège and Tarrassa) is currently under construction. These projects have been reviewed, resulting in a significant reduction in the estimated capital outlay, which now represents €200 million (€50 million a year from 2025).

Regarding urban development, 13 Carmila sites are concerned by the project announced by Carrefour and Nexity and Carmila is pushing ahead with Carrefour and Altarea Cogedim on the Nantes Beaujoire and Sartrouville mixed-use projects.

3. Financial results

Net rental income up 1.6% versus H1 2022, 4.5% on a like-for-like basis

In the first half of 2023, net rental income was up 1.6% versus the first half of 2022. This increase in net rental can be explained by the following factors:

- Organic growth of 4.5%, mainly driven by the indexation of rents (+3.7%)
- The impact of acquisitions and disposals, which amounted to € -5.0 million, or -2.9% (sale of eight assets in France, and four assets in Spain, acquisition of Rosaleda in Malaga in Spain).

Confirmation of expected recurring earnings per share of €1.57 in 2023

Recurring earnings per share in the first half of 2023 were €0.85, up 2.6% versus the first half of 2022.

Recurring earnings per share for Carmila in 2023 are expected to be €1.57, corresponding to 8% organic growth (at constant scope, and versus 2022 recurring earnings per share adjusted for non-recurring income resulting from better-than-expected collection of prior year rents). This figure includes the impact of asset sales and the new secured loan signed in the first half of the year.

Stable portfolio valuation at constant scope: -0.6% versus end 2022

As of 30 June 2023, the valuation of Carmila's portfolio, including transfer taxes, totaled €6.0 billion, corresponding to a decrease of 0.6% versus end 2022 at constant scope.

This change in the valuation of the portfolio at constant scope resulted from the increase in discount rates used to value the portfolio, the effect of which was partially offset by growth of the rental base. The capitalization rate (Net Initial Yield) of the portfolio increased by 12 basis points versus end 2022 to 6.26%.

As reported, the valuation of the portfolio decreased by 2.3%, due to the sale of six assets in France and Spain.

EPRA Net Tangible Assets (NTA) per share of €24.35 at end-June 2023

Carmila's EPRA Net Tangible Assets (NTA) per share was €24.35, down 3.6% on the end-2022 figure. The change over the period resulted from lower appraisal values at constant scope (negative €0.54 impact), recurring earnings for the period (positive €0.85 impact), payment of the 2022 dividend (negative €1.17 impact), share buybacks (positive €0.10 impact) and other effects (negative €0.17 impact).

Continuing to develop Next Tower

In the first half of 2023, telecom operators continued to deploy new antennas at a rapid pace, with a view to increasing the density of 4G coverage and rolling out 5G coverage, confirming the relevance of Next Tower's business model and its role in reducing the digital divide. As of 30 June 2023, €1.5 million of rental income was secured and €2 million of rental income will be secured by year end.

This corresponds to 121 antennas, generating rental income in both France and Spain, as well as around one hundred additional antennas currently being planned and developed. In additional Next Tower continues to strengthen its relationships across all the relevant telecom operators.

4. Solid balance sheet

New secured loan of €276 million and €25 million bond private placement

Carmila signed on 17 April 2023 a new secured loan for an amount of 276 million euros, maturing in 2030 and at a rate of 3-month EURIBOR plus 175 basis points. This new credit line, took the form of a mortgage loan contracted by four subsidiaries of Carmila France (Carmila Nice, SAS Carmila Evreux, Carmila Saran and Carmila Coquelles) and is secured by their assets.

In June 2023, Carmila executed a bond private placement of €25 million in the form of the tap of existing notes maturing in April 2029, for a yield of 4.92%.

As of 30 June 2023, following these two financing operations, Carmila has €692 million of cash and cash equivalents on its balance sheet, covering the repayment at maturity of a bond maturing in September 2023, the outstanding amount of which is € 322 million, and partially covering the repayment at maturity of a bond maturing in September 2024, the outstanding amount of which is €539 million.

The refinancing of these bond issues, principally through the two bank loans put in place in July 2022 and April 2023, will result in a gradual increase in the average cost of debt of Carmila. The average cost of net debt of Carmila, including the effect of hedging instruments, is estimated at around 3% in 2025. In the first half of 2023, the average cost of Carmila's net debt was 2.5%, up approximately 10 basis points from 2022.

Additional interest rate hedging since end December 2022

Since end-December 2022, Carmila has put in place additional interest rate hedging for the coming years through both swaps and swaptions. The total nominal amount of interest rate hedging instruments put in place by Carmila as of today is 860 million euros and the interest cost of its net debt is almost entirely hedged between now and the end of 2025[4].

LTV at 37.3% as of 30 June 2023, net debt to EBITDA at 7,7x, ICR at 4,5x

Carmila's financial position is solid, with an LTV[5] ratio of 37.3%, up 40 basis points versus end June 2022 and 150 basis points versus end December 2022.

Carmila's net debt to EBITDA ratio as of 30 June 2023 was 7.7x (last 12 months), versus 7.7x in 2022, and the company's Interest Coverage Ratio (ICR) was 4.5x, also unchanged versus 2022.

[4] At constant scope

[5] EPRA LTV including Real Estate Transfer Taxes

5. Major events and other information

Agreement to acquire 93% of 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.

The potential acquisition of Galimmo will be completed simultaneously with the acquisition of Cora France by Carrefour.

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 transaction will result in the rolling out of the powerful Carrefour-Carmila ecosystem across a new geographical perimeter.

The total consideration for the acquisition of 100% of the shares of Galimmo would represent €294 million, to be paid in cash by Carmila. The impact of the transaction on Carmila's pro forma LTV ratio including transfer taxes is estimated at ca. 160 basis points.

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 (+5% pro forma[6])and EPRA earnings per share (+3 to 5% pro forma[6]).

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.

As of today, Galimmo SCA owns a 15% stake in a Belgian entity that owns seven shopping centres in Belgium. Before the closing of the transaction, Galimmo will dispose of this stake, as well as a shareholder loan, to the company's controlling shareholders, for a total cash consideration of €76 million, reducing its pro forma net debt to ca. 65 million euros, or an LTV ratio of 9%.

Completion of two sales agreed in February 2023 for a total of €90 million

Following the signing of two agreements with family offices in February 2023 for the sale of a portfolio of four assets in Spain and one asset in Montélimar in France, Carmila announced the completion of the two transactions in April 2023. The agreed sale price of the portfolio in Spain was €75 million, including transfer taxes, in line with appraisal values. The portfolio comprises four shopping centres, Los Patios and Alameda in Malaga, and Los Barrios and Gran Sur in Algeciras. The agreed sale price of the asset in Montélimar is €15 million, in line with the appraisal value.

These two sales follow on from the disposal of a portfolio of six assets in France, completed in June 2022, and together they represent an aggregate €240 million in disposals. With these transactions, Carmila has therefore exceeded by €40 million its €200 million disposal target for the first two years of its new "Building Sustainable Growth" strategic plan.

Asset sale in France for €8 million

[6] Based on end-2022 figures

In connection with its new target, announced in February 2023, to achieve a total of €100 million in disposals by the end of 2024, on 19 April 2023, Carmila sold an asset in Tarnos, France. The agreed sale price is €8 million (including transfer taxes), in line with the appraisal value at end-2022.

Completion of a €20 million share buyback programme in first-half 2023

During the first half of 2023, Carmila carried out a €20 million share buyback programme, launched on 1 March and completed on 14 June 2023. The 1,394,980 shares purchased, representing ca. 1,0% of Carmila share capital, were subsequently cancelled.

Carmila recognised for its energy saving efforts

As a reminder, Carmila targets net zero emissions on scopes 1 and 2 by 2030. The 2019-2030 carbon trajectory of Carmila (1.5°C for scopes 1 and 2, 2°C for scope 3) was approved by the SBTi.

As part of the effort to reach this target, Carmila teams have implemented an ambitious energy saving plan, combining technological innovation (Artificial Intelligence, centralized management…) investments (replacing heating, ventilation and air conditioning systems and lighting) and more pro-active management of energy infrastructure. These efforts were recognized with a CUBE FLEX award from the French electricity grid operator, A4MT, and the French institute for building performance (IFPEB), which was presented to Carmila by the Minister for Energy Transition on 15 June 2023.

Additional information

The presentation of Carmila's half year 2023 results will be broadcast live on 26 July 2023 at 11:30 a.m. (CET) on Carmila's website (www.carmila.com).

The presentation in English will be made available on Carmila's website on the following page:

https://www.carmila.com/en/finance/financial-presentation/

A replay of the webcast will then be available online during the day on 26 July 2023.

The Half-year Financial Report, including the condensed interim consolidated financial statements and the Statutory Auditors' report, will also be made available on Carmila's website at the following page:

https://www.carmila.com/en/finance/financial-press-releases/

INVESTOR AND ANALYST CONTACT
Jonathan Kirk – Head of Investor Relations
jonathan_kirk@carmila.com
+33 6 31 71 83 98

PRESS CONTACT
Elodie Arcayna – Corporate Communications Director
elodie_arcayna@carmila.com
+33 7 86 54 40 10

INVESTOR AGENDA

26 July 2023: Half Year 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 continental 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 30 June 2023, its portfolio was valued at €6.0 billion, comprising 202 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

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**