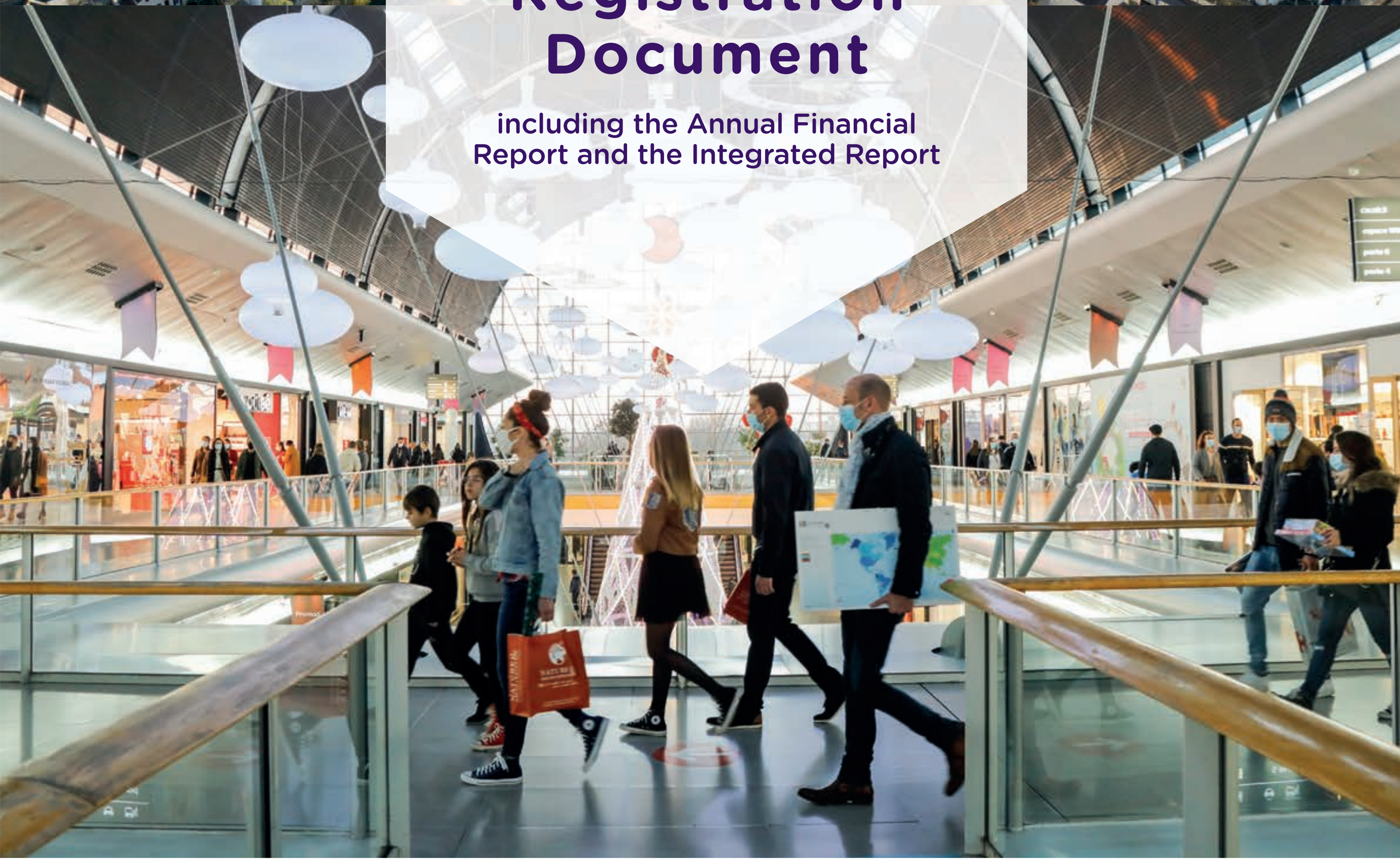
2021 Universal Registration Document

including the Annual Financial Report and the Integrated Report



CARMILA

contents

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including the Annual Financial Report and the Integrated Report

CARMILA

Vibrant retail venues

The Universal Registration Document was filed on 7 April 2022, with the AMF as the competent authority under Regulation (EU) 2017-1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF, together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the Annual Financial Report is a copy of the official version which has been prepared in ESEF format and is available on the issuer's website www.carmila.com. This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

1. Integrated Report

About this Report

Carmila has produced this Integrated Report for all its stakeholders: investors, tenants, retailers, customers and employees, as well as institutional and local partners. It reflects our determination to progress and our desire for transparent communication. It also sets out to provide – as part of a close, trust-based relationship with each stakeholder – a comprehensive overview of the Group, focusing on its governance, challenges, sustainable growth strategy, prospects and forward-looking vision. Jointly produced by Executive Management and all the divisions making up the Group, it provides the tools needed to understand how Carmila performed in 2021.

CARMILA

Founded by Carrefour and several large institutional investors, **Carmila is constantly innovating to create accessible, scalable shopping centres that meet consumer needs** by combining the benefits of both physical and digital retail. They simplify and enhance everyday life for tenants and customers in all our regions.

Centres embedded in the daily lives of local communities

Carmila is the third-largest listed shopping centre company in continental Europe by market value of assets at 31 December 2021(1). It operates and manages a network of shopping centres that adjoin Carrefour hypermarkets and are primarily located in medium-sized cities. Thanks to this unique network of practical, friendly shopping centres embedded in the community, Carmila revitalises and simplifies life in the local regions.

France

128 sites
€4.5 billion(2)
portfolio value
72.2%(2) of total assets

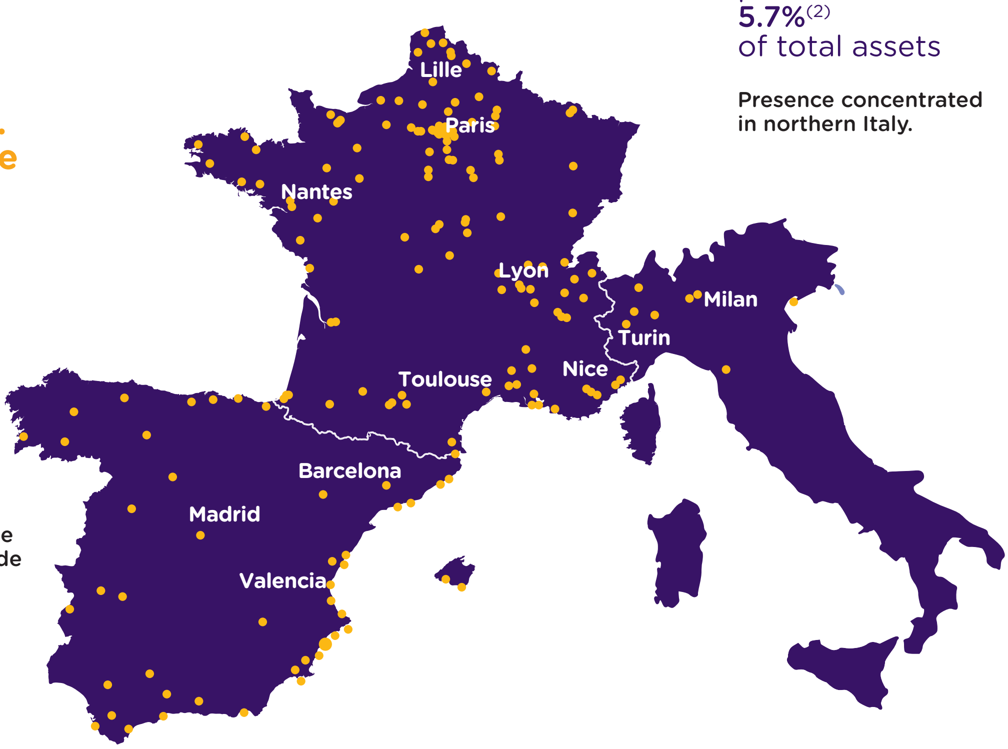
Comprehensive nationwide coverage. Centres located in the leading hubs of urban areas.

Italy

8 sites
€0.35 billion(2)
portfolio value
5.7%(2)
of total assets

Presence concentrated in northern Italy.

1 in 3 people in France and Spain
live within 20 min. of a Carmila centre



Spain

78 sites
€1.4 billion(2)
portfolio value
22.1%(2)
of total assets

Comprehensive nationwide coverage of the countryside and major urban areas (Madrid, Barcelona, Valencia, etc.).

(1) Company data.
(2) Appraisal values, including transfer taxes.
(3) Excluding 1.8% of strategic vacancies at the end of 2021.
(4) Leader: shopping centre that is a leader in its area in terms of number of retail units (Codata) or shopping centre with more than 80 retail units in France and 60 in Spain and Italy. Joint leader: shopping centre that is not a leader, but which adjoins a hypermarket that is a leader in its commercial area in terms of sales in France and Italy or in terms of surface area in Spain (Nielsen), or which generates sales in excess of €100 million in France and €60 million in Spain and Italy.
(5) Customer survey France 2021.
(6) Like-for-like.
(7) Dividend subject to shareholder approval.

CARMILA IN FIGURES

280
employees in 3 countries

>6,300
leases

€6.21bn [1]
portfolio value

96.3% [3]
financial occupancy rate

An essential role in the community

Leadership

90% [2]
shopping centres are leaders or joint leaders in their catchment areas [4]

2 million
visits per day in total across our 214 sites

Satisfaction

92% [5]
customers satisfied with their centre

Local economy

40%
independent tenants and franchisees in France

Accessibility

95%
shopping centres located less than 500 metres from a public transport link

OUTLOOK

+10%
annual recurring earnings per share growth expected for 2022 and 2023 [6]

€30m
additional annual recurring earnings by 2026 from growth initiatives

€1
minimum annual dividend, paid in cash [7]

75%
target payout ratio of recurring earnings

40%
target loan-to-value ratio (LTV)

“Carmila has entered a new cycle of sustainable growth”

MARIE CHEVAL
CHAIR AND CHIEF EXECUTIVE OFFICER OF CARMILA

Carmila's 2021 financial performance exceeded our expectations. Leasing activity reached a record level, our rental base was stable, financial occupancy was back to the pre-crisis rate and appraisal values increased. Customers returned to Carmila shopping centres as soon as stores reopened, and footfall was extremely dynamic, coming in close to 2019 levels. Between June and December, tenants saw their sales recover to the levels observed during the same period in 2019. All these factors reflect Carmila's high-quality asset portfolio and well-calibrated business model.

Customers in France, Spain and Italy are attached to their local Carmila shopping centres. Close, easily accessible and built to human scale, they offer a wide range of products and everyday convenience services, right next door to a Carrefour hypermarket. Located primarily in medium-sized cities, they also benefit from the vitality of these fast-growing urban areas. At Carmila, we've adapted successfully to changes in the retail industry and accelerated our transformation process. Since my arrival a year ago, we've initiated and completed many projects that will shape Carmila's future, and I thank all our teams for their efforts. 2021 was clearly a year of transition to a new business model, full of promise and growth potential.

An integral part of everyday life

The transformation of our shopping centres into attractive, vibrant retail venues continued throughout the year. To offer customers a broader range of choices aligned with today's trends, we continued to adapt our merchandise mix by bringing in flagship retail brands and innovative sales concepts like digital native vertical brands (DNVBs). We enhanced our dining and services offering and enriched our programme of sales events, which liven up our shopping centres. We also accelerated the deployment of our healthcare offering, opening nine Vertuo dental care centres. A key concern for both local regions and consumers, healthcare is now a key component of our strategy.

Omnichannel experience

In a brick-and-mortar market under challenge from e-commerce, we helped our tenants offer the omnichannel experience required to meet today's consumer expectations. A new services platform was created to further enhance the quality of our partnership with retailers. Our efforts in this regard have clearly been successful.
Despite the crisis, 2021 was a record year on the leasing front, with more than 1,100 leases signed. Supported and guided at every stage, tenants have confidence in our teams and are eager to join our shopping centres.

"We have continued to transform our shopping centres into attractive, vibrant retail venues."

Environmental standards

On the property development front, we finished extending and upgrading two important centres during the year: Nice Lingostière and Cité Europe. These projects – and all others going forward – are part of a new cycle we've initiated to more effectively integrate our shopping centres into their local regions and align them with new environmental standards. We're also looking at various mixed-use projects. For all our developments, we've made bold CSR commitments, in particular, our clear objective on achieving net-zero carbon emissions on Scopes 1 & 2 by 2030.

Faster diversification

Lastly, we've consolidated the new businesses initiated over the past few years, by transforming them into fully-fledged business lines. The first is a tower company, Next Tower, which builds and manages telecommunications towers for mobile telephone operators. The second is a venture capital and innovative concept incubator business, led by Carmila Retail Development. It reached a new milestone during the year, with the signing of five new partnerships with highly promising retail brands. Directly related to our expertise in property development, these businesses are important for Carmila and help drive innovation in the retail sector and in local regions.

A clear and ambitious strategy

In December, we unveiled Carmila's growth strategy for 2022-2026, Building Sustainable Growth, which is based on three pillars: Carmila's role as an incubator and an omnichannel platform for retailers; leadership in the local regions' sustainable transformation; and investment in new business lines – digital infrastructure and new retail concepts. This clear, proactive strategy, underpinned by ambitious sustainability goals and asset rotation projects, puts Carmila firmly on track for the future. At the same time, we announced our financial targets: 10% growth in recurring earnings per share in 2022-2023 and an annual dividend of at least €1 per share between 2022 and 2026. Buoyed by Carmila's many strengths, we are confident in our capacity to rise to the challenges ahead.

Biography

2002
Project manager with the Financial Services and Strategy Directors, Le Groupe La Poste

2006
Marketing and Sales Director, then Operations Director, La Banque Postale

2011
Director of Global Transactions and Payment Services, Société Générale

2013
Chief Executive Officer, Boursorama

2017
Executive Director, Customers, Services and Digital Transformation, then Executive Director, Financial Services and Hypermarkets France, Carrefour

2020
Chair and Chief Executive Officer of Carmila

2021 operating performance

FOOTFALL

2021 AS A % OF 2019 LEVELS

3 countries: **82%**

H2 2021 versus H2 2019:
France: **91%** (+12 points versus panel(1))
Spain: **81%** (+4 points versus panel(1))
Italy: **83%**

RETAILER SALES

H2 2021 AS A % OF H2 2019 LEVELS

3 countries: **97%**

France: **98%**
Spain: **92%**
Italy: **99%**

LEASING

1,144 leases

signed in 2021, the equivalent of 16% of the rental base

+67% versus 2020
+31% versus 2019

Positive reversion
+6.3% on vacant lots
+1.9% on renewals

Financial occupancy rate
96.3% (+60 basis points versus 2020)

POP-UP STORES

+44%

in revenue versus 2020

+32% versus 2019

SPECIALTY LEASING

+1%

in revenue versus 2020

NEXT TOWER

Rent: €905,000

Value: **€13 million**

CARMILA RETAIL DEVELOPMENT

12 partnerships

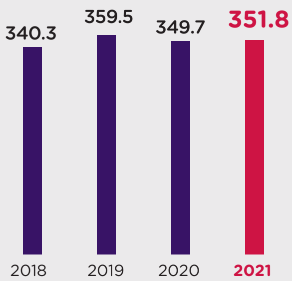
including 5 new tie-ups in 2021

235 shops including 81 opened in 2021

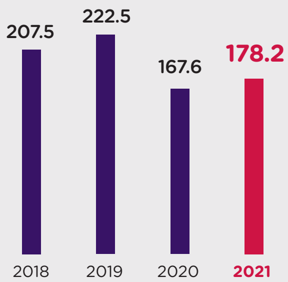
(1) Qantaflow in France and Shopper Trak in Spain.

2021 financial performance

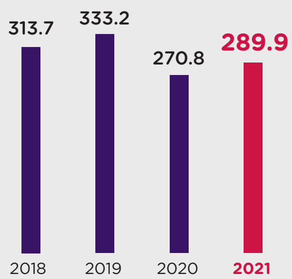
Gross rental income
in millions of euros



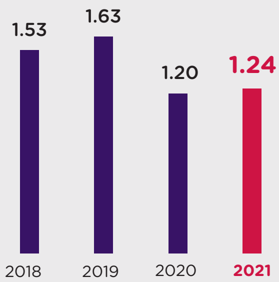
Recurring earnings[1]
in millions of euros



Net rental income
in millions of euros



Recurring earnings per share
in euros



Share price and ownership structure

€13.86
Share price at 31 December 2021

145,614,215
Number of shares at 31 December 2021

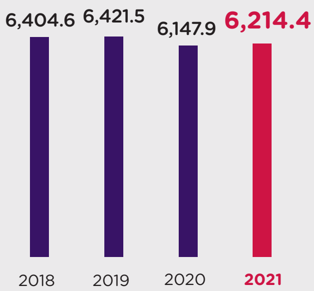
€2,018m
Market capitalisation at 31 December 2021

(1) EPRA earnings excluding non-recurring items.

2021 financial performance

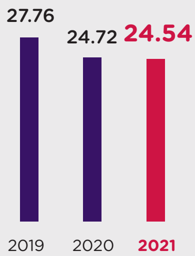
Portfolio gross asset value[1]

in millions of euros



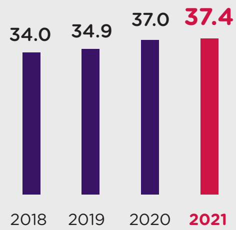
EPRA NTA

in € per share



LTV RATIO[2]

(including transfer taxes)
as a percentage



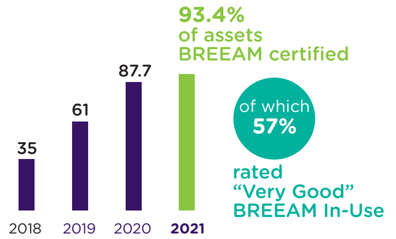
(1) Appraisal values, including transfer taxes.
(2) Loan to value ratio: net debt/gross asset value (including transfer taxes) as of 31 December 2021.

2021 non-financial performance

Planet

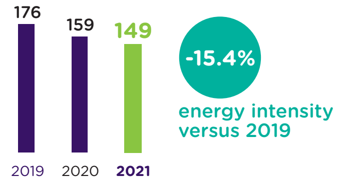
Share of shopping centres with environmental certification

as a percentage of portfolio value

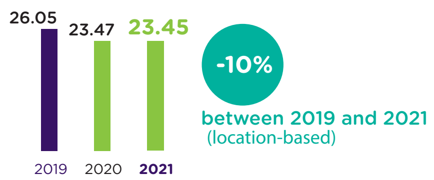


Energy consumption per sq.m. as reported

kWh/sq.m.



Carbon footprint audit on Scopes 1 & 2 in $ktCO_2e$ on a reported scope



Carmila, a sustainable stock

Ranked "A-" by the Carbon Disclosure Project

EPRA Gold Award for the quality of financial and non-financial reporting

1st in the Shopping Centres Europe category for its shopping centre development strategy

Local regions

1,930

students used the **Student Pop** service to find a job in a Carmila shopping centre

64%

of work-related outlays during the year – **€20 million** – allocated to local businesses (France)

59

Covid-19 testing facilities

50

pop-up vaccination centres

Carmila shopping centres hosted **numerous fundraising campaigns** for non-profit organisations, raising a total of around

€97,000

787

community outreach initiatives led by the Group in 2021

Employees

57%

women

94/100

workplace equality index

>15%

of employees on work-study programmes

100%

of managers trained in the 2021 CSR strategy

Carmila, the beating heart of retail

Because we create vibrant, innovative shopping centres

Because we are specialists in state-of-the-art retail

Because we form close ties with tenants and retailers, as well as with customers and local regions

Because we foster social ties, job creation and a sense of community

Because retail is the heartbeat of our centres.

More than ever, we're committed to creating and developing **vibrant retail venues**

FOR RETAILERS:
unique coverage of local regions

FOR TENANTS:
scalable spaces to host their customers, tailored to consumer trends

FOR OUR FINANCIAL PARTNERS:
assets that have proven capacities for performance and resilience

FOR LOCAL OFFICIALS:
projects that drive urban development and strengthen diversity

FOR OUR TEAMS:
to continue to shape the future of retail and keep the heart of retail beating

OUR PURPOSE STATEMENT

At Carmila, proximity is at the heart of everything we do.

We provide everybody with access to a **responsible** offering of everyday, **useful** products and services.

We connect retailers and customers as closely as possible to where people live. We develop and manage centres on a human scale that are **practical** and **friendly**, and which create **ties**, revitalising local regions and fostering a sense of **community**.

Partnering with retailers and our tenants, we innovate alongside them to develop **services** that improve our customers' shopping experience and offer them a pleasant and simple time.

Through our proximity to the communities we serve, we fulfil our mission:

simplify and enhance everyday life for tenants and customers in all our regions.

Carmila's purpose statement, incorporated into its By-laws in June 2020

Strategy: Building Sustainable Growth

Resources

FINANCE

- Stable shareholder structure
- Portfolio valued at **€6.21 billion**[1]
- Attributable equity of **€3,374.9 million**
- Gross debt of **€2,561.1 million** with an average term of 4.3 years
- LTV[2] ratio of **37.4%**

ASSETS & INFRASTRUCTURE

- **214** centres in **3** countries
- **97%** of centres within 500 metres of an eco-mobility solution
- **100%** of sites equipped with high-speed Wi-Fi

ECONOMIC & SOCIAL

Retailers and tenants

- A stable and diversified rental base
- **6,346** leases
- **40%** franchisees or independent retailers in France

Customers

- **Some 2 million** visits per day across our 214 sites

Local partners

- Operating in **204** towns and municipalities
- A network of local organisations supported by each centre

SKILLED TEAMS

- **280** employees
- **57%** women and **43%** men
- **61%** of the workforce in local, front-line positions

ENVIRONMENT

- Energy use at our centres: **149 kWh/sq.m.**
- **15%** of electricity used from renewable sources

Strategy

In line with market trends

Demographics
Rise of medium-sized cities
Generation Z

Consumer expectations
CSR
Purchasing power
Healthcare and other services

Transformation of the retail sector
Omnichannel approach
Customer experience

(1) Appraisal value including transfer taxes at 31 December 2021 – (2) Loan to value – (3) Minimum guaranteed rent – (4) November 2021 survey: Carmila France, Spain, Italy – (5) versus 2019 – (6) October 2021 survey: Carmila France, Spain, Italy – (7) Customer survey France 2021.

Purpose statement

Simplify and enhance everyday life
for tenants and customers in all our regions."

Assets

Value created

Competitive advantages

Unique partnership with Carrefour

Leading centres in medium-sized cities

Practical, accessible sites blending into their environment

Strong growth drivers

Dynamic, expert and agile teams

Programme of responsible initiatives

Here we act

Planet
Local regions
Employees

FINANCE

- **24** extension projects delivered since 2014, representing €39.4 million in annualised rental revenue
- Annualised MGR[3] of **€358.4 million**
- Regular dividend payments since the company's creation

ASSETS & INFRASTRUCTURE

- Renovation plan **100%** complete
- **93.4%** of centres BREEAM-certified[1]
- **71** sites equipped with 5G antennas

SKILLED TEAMS

Our employees

- **>15%** of employees on work-study contracts
- **89%** of employees satisfied with the company (up 5 pts)[4]
- **91%** of employees proud to work for Carmila (up 1 pt)[4]
- **22** hours of training on average per employee

ENVIRONMENT

- **15%** reduction in energy intensity per sq.m.[5]
- **10%** reduction in Scopes 1 & 2 emissions[5]
- **59%** of waste recovered

ECONOMIC & SOCIAL

Retailers and tenants

- **235** stores opened by partners of Carmila Retail Development, including **112** in Carmila shopping centres
- **38%** of centre management teams have proposed a second-hand offering
- **Two-thirds** of tenants are satisfied with their centre[6]
- **70%** of tenants feel involved in the day-to-day life of their centre[6]

Customers

- **92%** of shoppers are satisfied with their visit (up 3 pts)[7]
- **95%** feel reassured by the health measures in place in our centres (up 2 pts)[7]
- Customer Net Promoter Score: **up 9 pts**[7]

Local partners

- **1,121** CSR initiatives in 2021, of which **70%** community outreach
- A job support initiative introduced by **100%** of centre management teams

Stake-holders

Visitors

Retailers and tenants

Suppliers

Investors

Local communities

Public authorities

Employees

CSR strategy: tangible progress

Sustainable development underpins every aspect of Carmila's strategy. With our **"Here we act"** program of responsible initiatives, we have set long-term objectives, in line with the UN Sustainable Development Goals (SDGs). Below is a recap of the progress made in 2021.

The unabridged version is presented in chapter 4 of the Universal Registration Document.

HERE WE ACT FOR THE PLANET

OBJECTIVES	2021 RESULTS	SDG
STEP UP ACTION TO COMBAT CLIMATE CHANGE		
• **Low-carbon strategy**: net zero on Scopes 1 & 2 emissions by 2030 and a maximum offset of 10% by 2040	• 10% reduction in location-based Scopes 1 & 2 GHG* emissions 30% reduction in market-based Scopes 1 & 2 GHG* emissions • 61.3% reduction in Scope 3 GHG emissions*	13
• 40% reduction in **energy consumption** by 2030 (versus 2019)	• 15.3% reduction in energy intensity*	7 13
• Offer **eco-mobility** solutions within a 500-metre radius of all centres by 2025	• 95.1% of shopping centres are less than 500 metres from a public transport link • 97.3% of shopping centres are less than 500 meters from at least one eco-mobility solution	11 13
ADOPT A MORE FRUGAL APPROACH TO THE USE OF RESOURCES		
• 100% material and energy **waste recovered** by 2025	• 59% of waste recovered	7 12
• Introduce **biodiversity** initiatives at all our shopping centres by 2023	• 45% of shopping centres have taken an initiative to protect biodiversity • 12 centres have committed their service providers to responsible landscaping maintenance	15
• Reduce **water consumption** to below 1 litre per visitor by 2025	• 0.99 litres per visitor (reported scope)	12
IMPROVE THE RESILIENCE OF OUR ASSETS AND THEIR GREEN VALUE		
• Adaptation plan and **resilience solutions** for 100% of assets exposed to climate change risk by 2025	• Validation of resilience solutions by Property Management for the most exposed assets	11 13
• 100% of assets **BREEAM-certified** by 2025 and rated Very Good by 2030	• 93.4% of centres by portfolio value were BREEAM-certified at 31 December 2021 and 57% with a Very Good BREEAM In-Use rating	11

* Versus 2019.

HERE WE ACT FOR LOCAL REGIONS

OBJECTIVES	2021 RESULTS	SDG
SUPPORT AND CONSOLIDATE THE LOCAL ECONOMY		
• 100% of centre management teams offer at least one **job support initiative** by 2022	• 100% of centre management teams lead job support initiatives	8
• **At least 38% of centres include a** responsible second-hand offering by 2022	• 38.7% of centre management teams have proposed a responsible second-hand offering	12
• **Conduct surveys of all tenants** on a regular basis and track Group NPS	• 63% of the retailers surveyed are aware of the services available	8
• A broad range of **channels**: surveys, responses to online reviews, on-site dialogue, etc. • Track the **Group NPS** and make it more reliable	• 86.8% of visitors are satisfied (France, Spain, Italy)	8, 12
FULFIL OUR ROLE AS A CORPORATE CITIZEN		
• Run at least one **CSR event** per centre by 2022	• 99% of centres with a management team carried out a CSR event	12, 13
• Support a youth-related **community outreach initiative** in 2022	• 95.1% of centres with a management team ran a community outreach initiative • Partnership agreed with non-profit Chemins d'Avenirs	10

HERE WE ACT FOR EMPLOYEES

OBJECTIVES	2021 RESULTS	SDG
FOSTER DIVERSITY		
• Diversify recruitment methods and have more than 10% of the workforce made up of people in **work-study programmes** • Train senior executives and managers on issues of **cultural bias** by 2022 • Conduct an awareness-raising campaign on the topic of **disability** • Draw up a **Responsible Recruitment Charter**	• 25% of employees in France on work-study contracts • Training of manager mentors	10
• **Workplace equality** index of 90/100 for the Group by 2022 • Formalise and sign an agreement on **Diversity**	• Workplace equality index of 94/100 for the Group as a whole	5
DEVELOP EMPLOYEE POTENTIAL		
• Enhance the **induction** process (mentoring) • Offer at least one **training** course to 100% of employees • Hold at least one **review** per employee annually to address career prospects	• At least one training course has been offered to 100% of employees • Integration Week for all new arrivals • Mentoring systematically offered to all permanent employees • 98% of employees had an annual review • 15 employees benefited from a promotion or an internal transfer within the Carmila/Carrefour groups	3, 4
FOSTER EMPLOYEE ENGAGEMENT AND CO-BUILD CARMILA'S FUTURE		
• Run **employee satisfaction** surveys and track NPS	• 89% of employees express satisfaction with their jobs and with Carmila • Global NPS: +17	3
• Continue to carry out at least one **awareness-raising** initiative each half year • Add new CSR indicators to the criteria for calculating employee bonuses	• 100% of managers trained in the 2021 CSR strategy • 6 CSR-related awareness-raising initiatives carried out	4, 13
RESPONSIBLE PURCHASING		
• Include the Ethics Charter in 100% of France delegated works contracts • Continue to deploy the **responsible purchasing policy** • Achieve a local purchasing index score of above 60% for construction inputs	• 100% of France delegated works contracts incorporate the Ethics Charter • Local purchasing index operational in 73% of current project contracts	8, 12, 16
ETHICS		
• Provide specific training to 100% of employees exposed to **corruption** risks	• Training provided to 100% of employees exposed to ethical risks	8, 16, 17

Three key trends guide Carmila's growth strategy

The retail sector is undergoing an in-depth transformation in response to new lifestyles and values. The health crisis accelerated trends that were already in motion. Thanks to its business model, positioning and strategic choices, Carmila is a step ahead of the game. Three key trends have strengthened our beliefs and guided the development of our new growth strategy.

1. Demographic changes

The growing appeal of medium-sized cities

The pandemic heightened aspirations for a better quality of life. The lockdowns prompted many people to reconsider where they would really like to live and work – and medium-sized cities were a popular choice. This trend represents an exciting opportunity for Carmila, whose assets are primarily located in such cities, near residential areas and easily accessible.

Here comes Generation Z

Consumers under the age of 25 imply a range of new challenges for the retail sector. Born in the internet age, Gen Z-ers are perfectly at ease using digital technology, notably to find information, compare products and services and express their opinions. While avid for efficiency and practicality, they also like to visit physical stores for a personalised, sensory experience with a human touch. To meet all their needs and expectations, Carmila takes an omnichannel approach to every stage of the customer journey.

87%
of French people think it's better to live in a medium-sized city[1]

+6 points
Increase in the proportion of relocations to smaller cities, in Spain, in 2020 versus 2015-2019[2]

81%
of Gen Z-ers prefer to shop in-store[3]

Our response

- **A network of 214 shopping centres located in France, Spain and Italy**
- **Practical, easily accessible community hubs that offer numerous convenience services**
- **An omnichannel customer experience that includes digital native brands and the best digital tools available**

(1) Source: 2020 *Baromètre des Territoires* – (2) Source: *Instituto Nacional de Estadística* (INE) – (3) Source: Afterpay and Future Labs – (4) Source: Accenture – (5) Source: *Observatorio de Consumo y Sostenibilidad* – (6) Source: *Analyse prospective de la Santé 2030* – (7) Source: Forrester – (8) Source: PostNord – (9) Source: Carmila & Digital Native Group study, May 2021.

2. New consumer behavioural patterns

Responsible consumption

In light of climate change, people are concerned about the environment and increasingly careful about what they buy and how much they consume. Carbon footprint, production conditions and product composition and origin have all become key purchasing criteria. By promoting local and second-hand products, making ambitious environmental commitments and implementing various waste reduction and community outreach initiatives, Carmila is striving to make retail more responsible.

Purchasing power

Purchasing power is the number one concern among people in France* and a key criterion for consumers in Spain and Italy. This represents an opportunity for Carmila, because our shopping centres help preserve purchasing power. Not only are they always located adjacent to a hypermarket, they also bring together a wide range of retailers, including low-cost brands, and carry out marketing campaigns and community outreach initiatives that boost customers' spending power.

Healthcare and services

Physical distancing measures have highlighted the advantages of the "everything under one roof" format, where customers can find all the products and convenience services they need in one place. At a time when medical deserts are a growing issue, healthcare services are particularly important. In fact, access to healthcare ranks second on the list of key concerns among people in France*. Carmila is committed to investing in and developing its healthcare and services offering, as illustrated by the roll-out in 2021 of the Vertuo dental care centres.

* Elabe survey conducted in preparation for the 2022 French presidential election.

82% of French people feel concerned about sustainable development(4)

60% of Spanish people purchase products based on sustainability criteria(5)

75% of French people believe that their access to healthcare is going to decline(6)

Our response

- **A commitment to net zero emissions by 2030**
- **1,121 CSR initiatives implemented in Carmila centres in 2021, of which 70% community outreach initiatives**
- **15% of retail space devoted to healthcare by 2026***

*** In gross rental income**

3. A new focus on omnichannel retail

Online shopping continues to grow, but it's unlikely to ever entirely supplant brick-and-mortar retail. Firstly, because certain essential activities cannot be carried out remotely. Secondly, because developing a physical presence improves performance and profitability for online retailers. And thirdly, because visiting a physical store is still a key component of the customer experience. Shopping centres offer proximity, immediacy and the opportunity to touch, try and taste products and get professional service and advice. Outside major cities, they're also the fastest way to get your shopping done. To enable customers to choose where, when and how they want to shop, Carmila offers a range of omnichannel solutions.

70% of purchases on average are expected to be carried out in-store in 2026(7)

60% of French people estimate the waiting time for products ordered online at between 3 and 5 days(8)

88% of DNVBs believe that having a physical sales outlet increases their online traffic(9)

Our response

- **Moderation of online customer communities: micro-influencers, social media, live shopping, etc.**
- **Launch of an omnichannel services platform for retailers in partnership with tech start-ups and leaders in digital technology**
- **Close ties with numerous online brands, via Marquette and Carmila's DNVB Ready Prize**

Incubator and omnichannel platform for retailers

Carmila acts as an incubator to support the development of promising new concepts and formats, and offers tenants and retailers an omnichannel service platform to enhance their customer appeal.

Supporting the retail transformation and responding to new trends

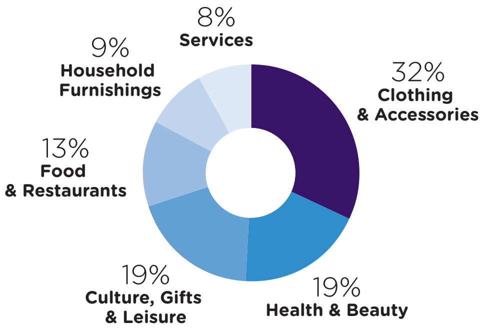
With more than 1,100 leases signed in France, Spain and Italy, 2021 was a record year for Carmila that saw 16% of the rental base renewed. This historic level highlights retailers' appetite for, and confidence in, Carmila shopping centres – human-scale centres that are leaders in their local region, play a key role in people's daily lives and benefit from the drawing power of a Carrefour hypermarket. The impressive result also reflects the significant efforts made in recent years to align our retail space offering with new market trends and the changing expectations of customers and local regions.

The merchandise mix continued to evolve in 2021. To create practical shopping centres destined to serve a key role in the community, Carmila strengthened its offering during the year in services, dining and leisure, in line with the expectations of visitors. With access to medical expertise now a key concern, Carmila has made healthcare a strategic focus and stepped up the integration of pharmacies, dental clinics and medical practices. The goal is to have 15% of retail space dedicated to healthcare by 2026. These adjustments resulted in a reduction in Clothing & Accessories brands, which now represent 32% of the retailers in our centres.

Carmila shopping centres constantly aim for a balanced representation of the various retail players. Alongside must-have national and international brands like clothing store Primark, which joined Cité Europe early in the year, and cultural and electronic products retailer FNAC, which opened in Bourges during the summer Carmila also supported the deployment of new concepts and local brands during 2021, by offering independent retailers and franchisees a range of leasing formats. The latest promising new concepts include CBD, second-hand products and brands that started online, known as digital native vertical brands or DNVBs. Carmila is pursuing this strategy, with the aim of integrating into its offering other products and services sourced locally, such as real estate agencies and temporary job centres.

And because today's customers want the benefits of online retail as well as those offered by their local shopping centre, Carmila continued to help tenants adopt an omnichannel approach, by capitalising on an ecosystem of partners with expertise in digital transformation.

A DIVERSIFIED MERCHANDISE MIX



Breakdown of business by rental value at 31 December 2021

ÉRIC ROBERT
LEASING DIRECTOR
CARMILA FRANCE

“Our message to tenants is clear: we're here to help them grow”

Carmila recorded dynamic leasing activity despite the health crisis, simply because we support tenants at every stage of their development and in all aspects of their business. Whether they need advice about a format, assistance investing in a new region or developing their concept or support with sales events, recruitment or omnichannel services, our teams are here to help. To meet our shared objective – success – we take a partnership-based approach. Our close relations with tenants makes all the difference on the ground and has a positive impact on results, as illustrated by the success of sales events like Carmiday.

Identify new concepts and help them to grow

To ensure the merchandise mix is continuously updated and carefully balanced between key products and services and innovative concepts, Carmila leverages the excellence of its teams' customer knowledge and actively monitors consumer trends. We also offer flexible leasing formats so that each tenant can choose the one that best suits their specific needs: a commercial lease for a long-term partnership, a pop-up store open for several months or weeks, or a sales event that takes place over a few days. Guided and supported whatever their project may be, retailers who put their trust in Carmila have every chance of success.

Successful sales events

2021 was a big year for pop-up sales events, which are heavily publicised online to create a buzz in local regions. Carmila organised more than 40 sales events during the year, attracting thousands of visitors. Two types of merchandise were particularly popular – plants, with partners like Plantes Addict, Plantes Pour Tous and Le Goût des Plantes, and second-hand products, particularly clothes and toys.

A helping hand for DNVBs

At Carmila, we believe in the convergence of physical and digital retail. According to a survey conducted in May 2021 in partnership with Digital Native Group, 75% of DNVBs think that a physical presence is a necessary part of the customer relationship. In addition, 62% say they need help finding the right location. To lend a hand, Carmila launched the DNVB Ready Prize in June 2021. The first round attracted 71 DNVBs eager to be part of the shopping centre universe. The winners – Flotte (rainwear made from recycled materials), Le Beau Thé (teas and infusions in personalised bags) and Baya (yoga accessories) – each received a support package to help them integrate a Carmila shopping centre via either a store or a pop-up space in one of the Marquette concept stores dedicated to DNVBs, which are located in Toulouse and Calais. The initiative benefits everyone. It provides an additional development avenue for online pure players, gives customers access to new products and services, and enables Carmila to enhance the customer experience by bringing in omnichannel brands that have a strong following among influencers and online communities.

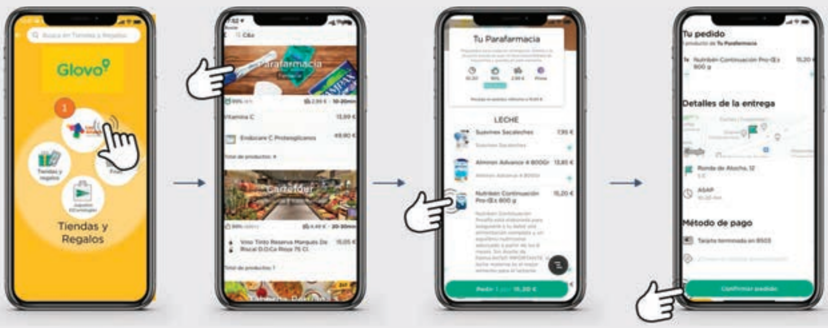
Attention paid to dining

Dining is a key focus for Carmila shopping centres. The aim is to have something for every need, from snacks and sweets for a quick break to sit-down restaurants for family meals. To ensure visitors have a variety of options, Carmila is investing in a programme to create new food parks, like the one at the Puget-sur-Argens centre, where four new restaurants will open in late 2022. Carmila continued to broaden and diversify the range of dining solutions in all its centres during 2021, adding, for example, a Starbucks at BAB2, a Big Fernand at Toulouse Labège 2 and Burger King outlets in Angoulins and Laval.

A SERVICE PLATFORM DEVOTED TO TENANTS

Carmila strengthened its commercial offering in 2021 in order to support retailers through all stages of the development process, from defining their retail concept to managing a store. The goal is to transition from a property company to a fully-fledged business partner. Thanks to increased dialogue with tenants, our teams were able to identify all the areas where Carmila could make their lives easier, with a particular focus on speeding up the development of franchisees, independent retailers and newcomers to the shopping centre scene. Connecting franchisors and franchisees, helping brands find the right format, providing advice on store layout, assisting in the organisation of sales and marketing initiatives and deploying omnichannel services are just some of the solutions Carmila is capable of putting into action thanks to its in-house expertise and its ecosystem of partners. These services enable tenants to set up shop successfully, get off to a good start and speed up their development.

In Spain, for example, Carmila has teamed up with TotalEnergies to make it easier for tenants to source energy at competitive prices, with Glovo to develop a 30-minute delivery service for stores in its centres, and with Fuel for Brands, a micro-influencer recruitment service that allows retailers to showcase products on the social networks.



Testimonials
from our partners

"Thanks to Carmila's geographic coverage, expert teams and in-depth customer knowledge, I was able to open three stores in just 18 months. For me, that's a partnership in which everyone's a winner."

François Lecoq – Avril franchisee

"Our relationship with Carmila has strengthened over time. Today, we work together in a climate of trust and transparency to move all our projects forward as rapidly as possible while motivating our teams."

Cédric Lacout – CEO of Bertrand Expansion (Burger King, Au Bureau, Hippopotamus, Léon, Volfoni)

"We held 19 pop-up sales events in Carmila centres in 2021, enabling us to test our concept in regions where we didn't already have a presence and raise awareness of our brand with new target audiences."

Antoine Elbaz and Julien Michelon – Founders of Le Goût des Plantes

"Our platform enables consumers in Spain to get their shopping delivered quickly and efficiently. By facilitating access for its tenants, Carmila is helping to meet the key challenges associated with the omnichannel transformation and changing consumer practices."

Victoria Roca – Global Head of Retail Glovo

Getting ahead through omnichannel retail

From the way they flocked back to Carmila's centres as soon as lockdown measures were lifted, it's clear that customers don't want to shop exclusively online. Today's consumers – particularly Generation Z – are nonetheless looking for a resolutely omnichannel experience. Carmila is meeting the challenge of combining physical and digital retail by integrating technology into every stage of the customer journey, and helping tenants adopt a more omnichannel approach.

THREE QUESTIONS FOR...

Sandrine Mercier,
Marketing, Network, Digital & Innovation Director

What role does physical retail play in a resolutely omnichannel environment?

Physical and digital retail are not opposites; they're two sides of the same coin. Customers want the efficiency of online retail, but they also crave the advantages of an in-store shopping experience: being able to see, touch, taste and exchange products and benefit from expert advice. That's why we're working with our partners to build an omnichannel ecosystem based on the synergies between these two types of retail. They're often compared and contrasted, but they actually converge.

Why offer omnichannel services at every stage of the customer journey?

The idea is to inject a digital dynamic into the entire customer experience, to make it as seamless as possible. Our three objectives are to attract more people, enhance customer satisfaction, and drive up retailer sales. Upstream, the aim is help visitors get to our shopping centres and give them information about the stores they'll find, like we do via our partnership with Partoo, for instance. When they're at our centres, the idea is to enhance their experience, by involving them in events like live shopping, making centre information available on interactive screens and providing them with services like click & collect. Influencers play a key role in efforts to enhance the customer experience. That's why we plan to capture more online communities by partnering with influencers who have a nationwide following, in addition to our 263 local influencers. In the post-visit phase, the idea is to collect feedback via digital channels to help improve our performance and boost customer satisfaction. That's the primary aim of our partnership with Critizr. It will also enable us to carry out targeted marketing campaigns, adapted to each customer's needs and expectations.

Is all this having a positive impact on customer satisfaction?

That's certainly one of our priorities. Our Net Promoter Score (NPS) – the indicator we use to measure customer satisfaction – was up 9 points in 2021, reflecting how well we know our customers. It's all about sending the right message to the right person at the right time. To drive further progress, we've added new profiles to our teams in the Research department this year, to help us design customer journeys that are even more personalised and precise.

Supporting tenants' omnichannel transformation

Strengthening their social media presence, setting up click & collect and home delivery services, deploying drive-to-store campaigns, bringing tenants onto the Carrefour marketplace and partnering with Shopify to develop e-commerce sites: Carmila is deploying numerous initiatives to help retailers adopt an omnichannel approach. A contest, Influencer Academy, was launched in June to recruit new local ambassadors, and new partnerships have been set up, including with Tiendeo to enable tenants to publicise their catalogues via centres' digital ecosystems and with start-up Malou to help restaurants increase their online visibility. These solutions strengthen the quality of our relationships with retailers and have a direct impact on customer satisfaction and retailer sales.

#BackToShops

When French centre operations returned to normal in May 2021, Carmila celebrated by organising a massive dance challenge via TikTok, inviting all tenants and customers to join in. Relayed by influencer @savanahrbll via the hashtag #BackToShops, the contest generated a buzz on social media and helped bring customers back into centre stores.

KEY FIGURES FOR 2021

1,144
new leases signed, up 31% versus 2019

Financial occupancy
96.3%
up 60 bps versus end-2020

A database of
4.1 million
opt-in contacts in France, Spain and Italy

OUTLOOK FOR 2022-2026

15%
of retail space devoted to healthcare by 2026

100%
increase in the number of local influencers

A marketing strategy focused on new consumer trends

Marketing campaigns are conducted throughout the year to increase footfall in Carmila shopping centres at key moments in the retail calendar. For Valentine's Day, for example, eight centres organised a special event to highlight their role as a meeting place and help people connect during the pandemic. By giving visitors the opportunity to win prizes or shopping vouchers, the traditional Christmas contest and the Black Friday campaign, carried out in 76 centres in November, helped underpin purchasing power – a key concern for customers. In 2021, the Christmas contest was also open for the first time to tenants. These marketing initiatives also reflect new omnichannel consumer trends, as illustrated by the live shopping sessions organised during the year at Perpignan Claira and Toulouse Labège 2.

Leadership in the sustainable transformation of local regions

With 214 shopping centres in France, Spain and Italy, Carmila is a key contributor to the social and economic fabric of local regions. Through an approach based on sustainable development and environmental excellence, our goal is to help cities adapt to local economic challenges and new urban development priorities.

Transforming shopping centres into vibrant retail venues

In France, Spain and Italy, local regions are experiencing drastic change, which has been accelerated by the health crisis. Medium-sized cities, where 90% of Carmila's shopping centres are located, have become increasingly popular over the past two years. In response to this trend and to help meet the challenges facing society today, Carmila is adapting its sites. The goal is to gradually transform our shopping centres into modern-day city squares – community hubs that are accessible, supportive, environmentally responsible and seamlessly integrated into their local region.

Carmila continues to work on the five major extension projects that are particularly important for their local region: Montesson, Orléans, Antibes and Toulouse Labège in France and Terrassa in Spain. In addition to retail and leisure space, these projects include convenience services, green spaces, new entrances and, in some cases, housing and tertiary activities. From construction quality, energy use and landscaping to the merchandise mix and programming, everything has been reviewed and adapted to meet the changing needs of local communities. Carmila also continues to transform and renovate its historic sites, with around 60 projects scheduled to update and revitalise existing shopping centres. The aim is to align them with new consumer expectations, notably by improving their accessibility, their integration into the urban environment and the quality and diversity of the products and services on offer. Each project is unique. Parking spaces will be redesigned to make room for the creation of food parks at Puget-sur-Argens, an arcade will be restructured at Gran Sur in Cádiz to enable the integration of new retailers like trampoline specialist Flipa Jump, and the shopping centre in Draguignan will be reconfigured to make way for a modernised pharmacy. The one thing all these projects have in common is their emphasis on sustainability and the environment.

Looking further ahead, Carmila is planning a new generation of mixed-use projects. Designed in partnership with Carrefour and local authorities, these long-term projects are being considered for around 20 sites, including Nantes Beaujoire and Sartrouville. Focused primarily on commercial activities today, these sites are destined to become fully-fledged urban communities thanks to a complete reorganisation of their layout and more diverse use of the space available.

A PIPELINE OF PROJECTS
THAT MEET THE HIGHEST ENVIRONMENTAL STANDARDS AND THE DEVELOPMENT PRIORITIES OF LOCAL REGIONS

SÉBASTIEN VANHOOVE,
DEPUTY CHIEF EXECUTIVE OFFICER OF CARMILA

"We work closely with stakeholders in local regions, to meet their needs today and help them shape tomorrow."

During the health crisis, our sites conclusively proved their importance to local regions. They're places where people can meet and socialise, take part in community life and access essential services. And they're set to play an even bigger role in this regard in the future. Our aim is to help local regions meet all their citizens' needs, from healthcare and job search assistance to support for people in difficulty. We have an important role to play in making our centres an integral part of the community. In partnership with elected officials and local organisations, we're working to make our sites even more useful to society, in line with local expectations.

Progress on key projects

Despite the health crisis, Carmila continued to make progress on its projects – large and small – in 2021. Two major extension/upgrade projects were finalised during the year: Nice Lingostière and Cité Europe (Calais-Coquelles). And in May, the transformation of the Montesson shopping centre was approved by France's national commercial development authority (CNAC). Work also continued on Carmila's long-term projects, which will lead to the creation of entirely new neighbourhoods and sustainably alter the urban landscape.

50
new retailers for Nice Lingostière

A metamorphosis at Nice Lingostière

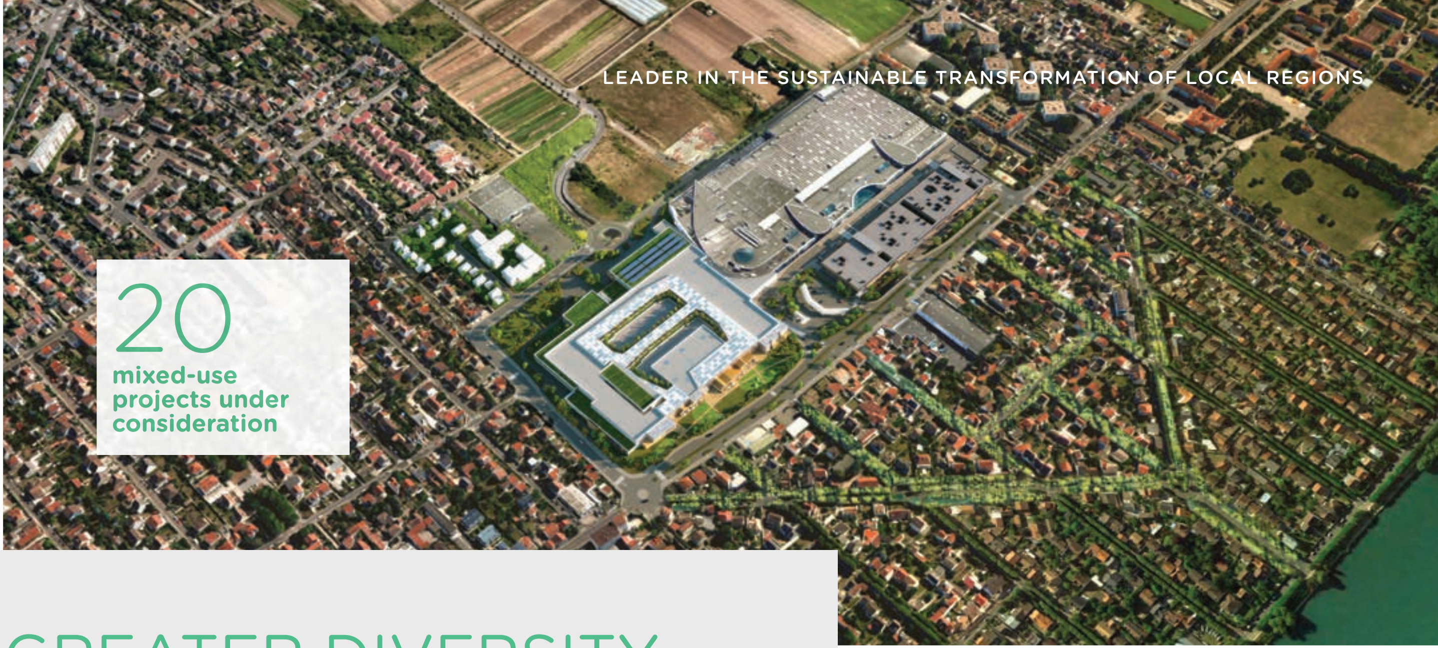
On 19 May, Carmila's Nice Lingostière shopping centre opened in its new configuration. Located in the middle of the Eco-Vallée urban planning project reshaping Nice's hinterland, this flagship of the local economy now offers an exemplary vision of an eco-friendly shopping centre, with its urban vegetable garden, its 4,300 sq.m. of planted roofs and its 17,300 sq.m. of green spaces. In an architectural setting designed by Wilmotte & Associés, the site now hosts 50 new retailers, bringing the total offering to 100 stores and restaurants covering a gross leasable area (GLA) of 20,000 sq.m. Big names like H&M, Kiabi and Mango have been joined by retailers that are new to the region, like the 3,000 sq.m. Cultura store, as well as new retail concepts, such as Indémodable, Le Repaire des Sorciers, La Barbe de Papa and Normal. The transformation clearly appeals to customers and visitors: the centre's footfall in the last quarter of 2021 was 22 points higher than the Quantaflow industry panel.

A new dynamic for Cité Europe

In 2021, Cité Europe – the go-to shopping destination in the Nord-Pas-de-Calais region – completed its transformation initiated three years earlier. The final touch was the opening on 29 January of a Primark store, the first in a Carmila shopping centre in France. This led to a surge in leasing activity, which resulted in the arrival of ten new retailers over the course of the year. Cité Europe now boasts new entrances and play areas, Wi-Fi access and a fully renovated leisure and dining complex, known as Cité Gourmande. It also gives pride of place to new concepts, thanks to the opening of a Marquette concept store dedicated to DNVBs. The brands featured include Le Beau Thé and Baya, two winners of Carmila's DNVB Ready Prize.

A modern "lifestyle space" in Montesson

This major extension project reached a decisive milestone in May 2021 by obtaining approval from France's national commercial development authority (CNAC). With 30,000 sq.m. of GLA for more than 60 new retailers, Carmila is revamping this historical site west of Paris to make it a fun, friendly and future-oriented centre with an attractive leisure complex and a large urban park. With 9,000 sq.m. of green spaces, 2,000 sq.m. of solar panels and an emphasis on eco-mobility solutions, this project strives to preserve the Montesson plains and protect the environment. Alongside the commercial extension project, two housing developments will be built nearby. Scheduled for delivery in 2026, this €150 million project reflects Carmila's commitment to supporting the sustainable transformation of local regions.



20
mixed-use projects under consideration

GREATER DIVERSITY IN DEVELOPMENT PROJECTS

In many local regions, cities have now expanded into the suburban areas where shopping centres are located. In response to this expansion and to meet the needs created by this urban sprawl, Carmila has designed a new generation of mixed-use development projects.
These large-scale urban development projects will totally redefine the shopping centre's role in the community.

These sites, currently wholly devoted to retail, will become new neighbourhoods with homes, offices, local services and green spaces. Carmila is looking at several projects, including one in Nantes Beaujoire with Carrefour and Altarea. With exemplary landscape integration and environmental practices, these projects will represent a leap ahead in terms of responsible construction and energy use.

Testimonials from our partners

"The Carrefour shopping centre in Vannes is a partner we can rely on to promote accessibility, inclusion and solidarity in our local community. Together, we're working on how to address these key issues for the city."

Chrystel Delattre – Deputy Mayor of Vannes, in charge of accessibility and inclusion

"In these local regions, people want a high-quality healthcare offering in an attractive, accessible setting, close to where they live. That's why the first Vertuo dental clinics opened in Carmila shopping centres have been such a success."

Alexandre Barillet – Co-founder of Vertuo

"We're thrilled about this partnership with Carmila. It will give young people living in smaller cities and rural areas access to personalised career planning support and the opportunity to learn more about retail jobs in an environment close to home."

Salomé Berlioux – Chief Executive of Chemins d'Avenirs

"The CSR initiative-sharing platform we co-developed with Carmila strengthens synergies between its shopping centres and enhances the efficiency of their community outreach initiatives."

Dorian Wansek – Co-founder of Lakaa

Emphasis on the environment in all projects

With its "Here we act" programme of responsible initiatives, Carmila has made key commitments to the planet, local regions and employees in a bid to build a more responsible, sustainable business model. On a day-to-day basis, these commitments give rise to local partnerships and initiatives in our shopping centres, in such areas as community outreach, health and local employment.
Carmila is already working today to meet ambitious long-term objectives aimed at protecting the environment and combating climate change – issues that are of key concern to everyone.

THREE QUESTIONS FOR...

Corinne Teste,
CSR Director, Carmila

How is the "Here we act" programme going?

It's going well and moving quickly, with progress made on all fronts. 2021 was very dynamic, especially in the area of environmental protection. In a year shaped by the COP26 and the new SBTi guidelines, we notably committed to a 90% reduction by 2030 in the greenhouse gas emissions directly associated with our operations (Scopes 1 & 2) and a target of net-zero emissions by 2040. We're also actively pursuing BREEAM certification for our assets, with 93.4% certified to date and targets of 100% by 2025 and a "Very Good" rating for all our sites by 2030.

How do you intend to meet these targets?

To achieve our objectives, we'll have to make choices about the way we renovate our centres, giving priority to technical investments with strong added value for the environment. We're also going to review our centres' energy sourcing policies to ensure that renewable energies account for a significant portion of the mix. An additional avenue is carbon offsets, which will not exceed 10% of our total emissions. We've opted for a strategy that benefits local regions and, to obtain the carbon credits allocated by the French State, we're working with TerraTerre, a start-up that helps farmers transition to low-carbon agriculture.

What are the synergies with Carrefour?

Our partnership with Carrefour enables us to move faster on issues like energy by facilitating the deployment of environmental solutions on land owned by the Group, such as car parks. In collaboration with Carrefour's real estate subsidiary Carrefour Property, we're equipping our car parks with solar carports, in Angoulins for example, and with electric vehicle charging stations. These have already been installed at all our sites in Italy.
In addition to synergies on the environmental front, our partnership with Carrefour also enables us to implement community outreach initiatives on a broader scale, in such areas as local employment, youth support and waste reduction.

Promoting solidarity and social cohesion

A total of 1,121 CSR initiatives were implemented in Carmila centres in 2021, of which 70% were community outreach initiatives. To strengthen synergies, Carmila joined forces with start-up Lakaa to develop a platform for centralising and sharing information about CSR initiatives. Hubs of interaction and connection, all our centres implemented employment-related initiatives in 2021. Various non-profits were supported by our centres locally, including the Food Bank, Secours Populaire Français and the Telethon, resulting in a total of €100,000 worth of donations. Around 20 centres notably took part in the Pink October campaign to raise money for breast cancer research.

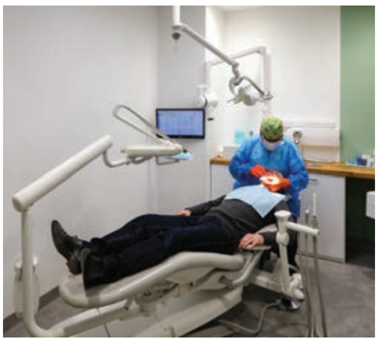
Committed to giving the next generation a head start, Carmila also helps students find short-term jobs with retailers via its partnership with Student Pop. In 2021, we joined forces with non-profit Chemins d'Avenirs to make it easier for young people living outside big cities to get involved in the workforce.

Helping to combat Covid-19

Working alongside regional health authorities, our shopping centres actively contributed to the pandemic response in 2021. A total of 59 testing facilities and 50 pop-up vaccination sites were created in record time, often thanks to the efforts of our pharmacies.

Providing healthcare services in local regions

Healthcare is a priority for local regions and for our customers. Carmila is investing heavily and doing all it can to provide a comprehensive range of healthcare services in its centres. One avenue used to meet this commitment is the expansion and relocation of pharmacies. In the area of dental care, significant progress was made in 2021 thanks to the partnership in Spain with DentalStar and the creation in France of the Vertuo brand, which has already opened nine dental clinics across the country. A new alliance with hearing aid specialist Meilleur Audio will strengthen our healthcare offering, alongside the opticians, pharmacies and well-being concepts already present.



KEY FIGURES FOR 2021

Reduction in greenhouse gas emissions:
10%
for Scopes 1 & 2 versus 2019 (location-based)

93.4%
of centres BREEAM-certified

1,121
CSR initiatives carried out by the centres, of which
70% community outreach initiatives

OUTLOOK FOR 2022-2026

5
major development projects: Montesson, Orléans Place d'Arc, Toulouse Labège, Antibes and Terrassa

Net-zero carbon emissions on Scopes 1 & 2
by 2030

Breaking new ground

Carmila is investing in new business lines – digital infrastructure and new retail concepts – that will significantly contribute to growth in the coming years.
Closely related to our traditional role as a property company, these innovative business lines make Carmila a key participant in the transformation of the retail sector and the development of local regions.

Investing to ensure sustainable growth

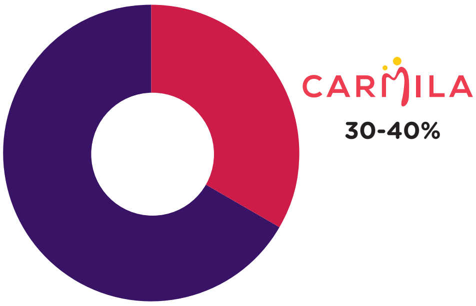
To align its centres with modern practices and concerns, Carmila is investing in innovative retail concepts, services and infrastructure that meet the needs of local regions. Using a test-and-learn approach, we're exploring new projects that can be scaled up to contribute to our growth. In 2021, two activities initiated over the past few years became fully-operational business lines with their own organisational structure.

As part of the first component of this diversification strategy, Carmila created tower company Next Tower in 2021. By contributing to the government's goals of providing universal coverage, improving 4G and rolling out 5G, Next Tower is helping to bridge the digital divide thanks to Carmila's expertise in real estate and digital technology. A property developer, Next Tower builds multi-tenant telecommunications towers on sites across the Carmila and Carrefour network. It will invest in several types of infrastructure, such as mobile towers, data centres and fibre optics. The Company's development plan provides for a total of more than 400 sites by 2026.

A venture capital investment business that is picking up pace with Carmila Retail Development. To help diversify the range of products and services on offer in its centres, Carmila has made the bold choice of investing directly in promising retailers. Special teams have been tasked with identifying high-potential concepts – in healthcare, dining or services, for example – that are aligned with our customers' expectations. Carmila then acquires a minority stake in the brand, via Carmila Retail Development, and contributes capital and expertise to help speed up its growth. Carmila currently partners 12 retailers at various stages of development and is ramping up to meet its target of 700 stores and 20 stakes by 2026. Five new partnerships were signed in 2021, with Marquette (DNVB, Bohébon (poke bowls), Mon Petit Herbier (CBD), Les Canons (wine) and Meilleur Audio (hearing aids). Healthcare is an important part of this strategy, as illustrated by the launch of Vertuo dental clinics in France and the partnership with DentalStar in Spain.

Carmila is also looking at other diversification opportunities, including logistics real estate and co-working spaces like those opened in Spain during 2021. These projects could be integrated into its business portfolio in the near future.

CARMILA RETAIL DEVELOPMENT: VENTURE CAPITAL INVESTMENTS FOR A 30-40% STAKE



FRÉDÉRIC DESPRÈS
CHIEF OPERATING OFFICER CARMILA
DIRECTOR OF CARMILA RETAIL DEVELOPMENT

"At Carmila, we know how to manage risk. And we're willing to back the entrepreneurs we believe in."

Making a venture capital investment in a retailer by acquiring a stake as big as 30-40% – as Carmila Retail Development has been doing since 2018 – is unprecedented for a property company. This risk-taking clearly reflects Carmila's entrepreneurial culture. With this approach, everyone wins. Customers have access to a diverse, up-to-date offering in tune with their needs, entrepreneurs benefit from a variety of tools and resources to speed up deployment of their brand, and Carmila strengthens its financial performance thanks to the additional rental income and the added value generated by the development of its partner brands.

Finding the right entrepreneur with the right concept

In each country, Carmila teams at headquarters and in our regional offices are working to identify new concepts in emerging sectors and those with potential for the future. Through Carmila Retail Development, we forge partnerships, acquire stakes in retailers and help the people behind innovative projects get established and then speed up their project's development. In addition to a promising concept, each entrepreneur's profile and personality are also key criteria in our investment decisions. For a project to be successful, the two parties must have similar values, perspectives and goals.

Cigusto, an opportunity for expansion

In 2021, Carmila acquired a 30% stake in vaping retailer Cigusto, a partner brand since 2018. Cigusto was co-founded by Hervé Delille, a retail expert with more than 20 years of experience, including in the executive management teams of big-name retailers Mr Bricolage and BUT. A forward thinker, Hervé was quick to recognise the e-cigarette's growth potential as a quit smoking aid. Five years ago, when he was trying to speed up the brand's deployment, Hervé saw Carmila as a logical choice because its practical, accessible, omnichannel shopping centres are located all over France. The Cigusto concept rounds out the extensive range of everyday convenience services already on offer. With Carmila's expertise and plenty of financial and marketing support, Cigusto was able to expand rapidly, to a total of 93 stores at end-2021. Carmila's venture capital investment will help the retailer meet its new objectives of reaching 250 stores by 2025 and developing its operations, particularly its omnichannel and logistics operations via the launch of a new website and the creation of a 3,000 sq.m. warehouse.

Marquette, the first physical store network dedicated to DNVBs

In 2019, Carmila approached Vincent Redrado – the founder of consulting firm Digital Native Group, which specialises in direct-to-consumer brands and new consumer practices – to help strengthen the presence of DNVBs in local regions. This resulted in the creation of the Marquette concept store, a multi-brand sales outlet dedicated to pleasure purchases that offers a wide range of products from the most popular DNVBs on social media. The first store was opened at Toulouse Labège 2 in 2020 and a second in November 2021 at Cité Europe near Calais. The brand aims to have 15 stores by 2025.

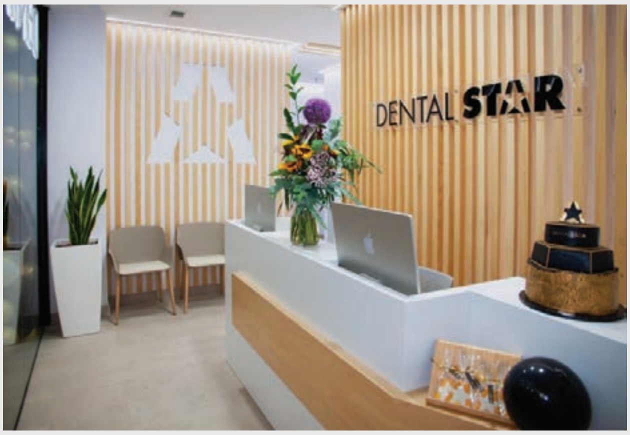
Mon Petit Herbier, the newcomer in wellness

Convinced by the antioxidant, anti-stress and anti-inflammatory properties of cannabidiol (CBD), a product derived from cannabis plants, five young entrepreneurs created the first Mon Petit Herbier store in Aix-en-Provence back in 2013. Carmila acquired a 35% stake in the retailer in 2021. Our goal is to rapidly deploy the concept in our centres to give our customers access to products that promote well-being.

PARTNER BRANDS AT DIFFERENT STAGES IN THEIR DEVELOPMENT

Carmila has already set up partnerships with several innovative companies that will contribute to its growth and help diversify the merchandise mix in its centres. Twelve brands – covering everything from thrift fashion and dining to healthcare services – currently benefit from the support of Carmila Retail Development. They each have a particular goal, and Carmila is supporting them every step of the way.

Some brands, such as poke bowl retailer Bohébon and hearing aid specialist Meilleur Audio, opened their first outlets in Carmila centres in 2021. Others have already proven the value of their concept and are planning more stores (DNVB specialist Marquette) or have announced ambitious development objectives (dental care specialist Vertuo and vaping retailer Cigusto).



Testimonials from our partners

"Carmila's support will enable us to more rapidly deploy high-quality dental clinics in shopping centres that play a key role in everyday life in Spain, that are practical, accessible and committed to providing the services people need."

José Fana Rodriguez – Chairman and Chief Executive Dental Star

"Our partnership with Carmila is really accelerating our development, enabling us to speed up openings in shopping centres and helping make our niche, modern and connected wine-deli concept more accessible."

Julie Naturel – Co-founder Les Canons

"With Carmila, we're starting a new chapter that offers unique potential for both parties: the development of our network for Meilleur Audio and the expansion of its healthcare offering for Carmila. It's a partnership in which everyone's a winner."

Benjamin Astruc – Founder Meilleur Audio

"Carmila doesn't just support us financially. We also get to benefit from the company's expertise in structuring an organisation and defining strategic objectives, for example. It also enables us to pursue our development of growth drivers, as illustrated by the opening of our first Even store at Nice Lingostière."

Loïc Raymond – Founder Indémodable and Even

Contributing to the digital transformation

NEXT TOWER
CONNECTER LES TERRITOIRES

Digital technology has permeated every aspect of our lives. As the use of smartphones and mobile internet solutions rises, so does the volume of data exchanged through telecom networks. And this trend is being amplified by the transition to 5G. Everywhere, telecom operators are looking for new sites to improve coverage. With its new tower company Next Tower, Carmila is providing a practical solution to the need for more digital infrastructure. By improving access to an essential service, Carmila is making life easier for people who live in regional areas and helping to bridge the digital divide.

THREE QUESTIONS FOR...

Romain Pierry,
Managing Director
Next Tower

How did the Next Tower adventure begin?

The project began with a test phase in 2019. During this period, we forged ties with telecom operators and learnt about their working methods and needs. We also developed the specific technical skills required for the construction and management of digital infrastructure. The test phase was very successful, so we decided to scale up in 2021 by structuring our offering in an entity known as Next Tower.

What areas of expertise and synergies have been leveraged?

While most tower companies buy existing pylons built in the past by telecom operators, Next Tower's approach is different. We act as a developer, building our own towers on our own land. Thanks to the density of Carmila's network and our partnership with Carrefour, we have access to many parcels of land located close to where people live. We build our towers on unused surfaces, such as car parks or the roofs of buildings. It's a new way of generating value from these spaces, while also helping to address a genuine need. Each tower can support several antennas, which we can lease to different operators. This enables us to pool costs and maximise our return on investment.

What are Next Tower's objectives and outlook?

We have an ambitious development plan. Our aim is to open 400 sites by 2026, starting with France and then Spain. Next Tower also serves as a gateway to a whole ecosystem of digital investment opportunities. We're thinking, for example, of investing in data centres and fibre optics. These opportunities offer enormous potential for Next Tower and Carmila. We're extremely confident and enthusiastic about the future of this new business line.

Testing new opportunities

To diversify its operations while also responding to market trends, Carmila tests new ideas in areas that would represent a strategic fit with its current portfolio. The aim is to find projects that are aligned with new trends and lifestyles, but would also help Carmila fulfil its mission of making life easier for customers and tenants in its local regions. The projects currently under consideration include dark kitchens, logistics real estate, live shopping and, in partnership with Carrefour, data monetisation. Once selected, these practical, promising ideas are tested in real-world conditions on a pilot scale of one or two sites. If successful, they are then deployed more widely.

Co-working pilot

In response to the shortage of co-working spaces that are fully-equipped, well-located and pleasant to work in, Carmila has been testing a new solution at its El Pinar centre in Madrid since late 2021. Based on an employee's idea, the space is designed like a showroom, with 14 workstations, a meeting room, a coffee corner and a lounge area, in partnership with furniture brand Kave Home.

KEY FIGURES FOR 2021

81
outlets opened by partners of Carmila Retail Development

9
Vertuo dental clinics

71
telecom towers deployed by Next Tower

Fostering creativity

Innovation is a key component of Carmila's corporate culture. From day one, every employee is encouraged to think outside the box and express their ideas. Best practices are shared across regions, countries and business lines. And when an idea looks appropriate for its tenants or customers, Carmila doesn't hesitate to test it, devoting the time and resources necessary. Various projects came to fruition in 2021, including the DNVB Ready Prize and calls for proposals to integrate a responsible offering. To encourage initiative and find the best ideas, Carmila uses its collaborative digital platform Mydea, which won the 2021 Participatory Innovation Trophy awarded by non-profit Innov'Acteurs.

OUTLOOK FOR 2022-2026

20
retailers partnered by Carmila Retail Development

>400
sites

Outlook and Governance

Carmila has emerged from the health crisis stronger than before. Our new strategic plan for 2022-2026 responds effectively to the structural changes taking place in the retail sector and the transformations under way in our environment. We're all set to turn Carmila shopping centres into vibrant retail venues.

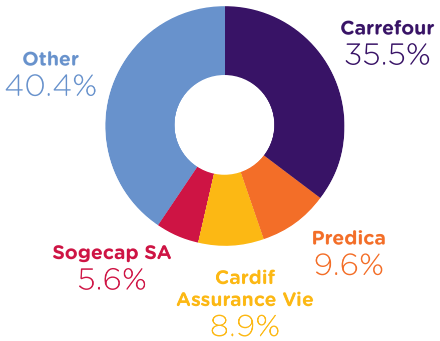
A clear and ambitious five-year plan

Carmila demonstrated outstanding operational resilience in 2021. Record business activity, leases signed up 31% compared with 2019, occupancy rate at 96.3%: financial performance forecasts were exceeded, demonstrating the strength of its shopping centre model. Carmila's fundamentals and financial position are solid. Anchored by large investors including Carrefour, our ownership structure is stable. Debt is under control, appraisal values are up and significant liquidity reserves provide plenty of opportunities to invest in new projects.

With its 2022-2026 strategic plan, Carmila has entered a new virtuous cycle. Our incubator business, our omnichannel services platform and our two new business lines, Carmila Retail Development and Next Tower, are each expected to contribute around €10 million to sustainable growth. By 2026, all Carmila shopping centres will be omnichannel retail venues, offering visitors a unique shopping experience with additional services – including healthcare – and innovative concepts. Carmila Retail Development will have embellished its portfolio of brands, which will help refresh the merchandise mix, attract new customers and make it possible to maintain rents at an attractive level for tenants. The capital gains made by selling its stakes in mature brands will enable the business line to invest in promising early-stage ventures. At the same time, Next Tower will have become a key player in digital infrastructure, helping to combat the digital divide.

In 2026, Carmila will have made progress towards its objective of achieving net-zero carbon emissions on Scopes 1 & 2 by 2030. We will have delivered the first projects in our more sustainable development pipeline and initiated our first mixed-use projects, which will change the role of shopping centres in the community. Proceeds from the implementation over the next two years of a program to dispose of assets that have reached maturity will be used to finance some of these projects, starting with the transformation of the Montesson centre, which will begin in 2023. The asset rotation programme will also enable us to seize opportunities to acquire new sites where appropriate.

CARMILA: OWNERSHIP STRUCTURE AT 31/12/2021



PIERRE-YVES THIRION
CHIEF FINANCIAL OFFICER OF CARMILA

“We have no doubts about our ability to put our new plan into action in order to achieve our growth objectives.”

Omnichannel incubator, leader in sustainable development and launch of new business lines: the three-pillar strategic and financial plan we unveiled in December 2021 was well received. Our growth assumptions are realistic because we have many strengths, including accessible rents in our shopping centres, our comprehensive asset renovation programme, our excellent track record in management, the enthusiasm of our leasing teams and the ramp-up of our new business lines. Proof of our confidence in Carmila's capacities, we're expecting 10% growth in recurring earnings per share in 2022 and 2023. And we've committed to a dividend policy of at least €1 per share between 2022 and 2026.

FINANCIAL AND NON-FINANCIAL OUTLOOK

GROWTH

Target of 10% annual growth in recurring earnings per share in 2022 and 2023

Contribution to growth from new business lines:
€30 million in recurring earnings by 2026 (an increase of 18% versus 2020 recurring earnings)

- Incubator and services for retailers: €10 million
- Next Tower: €10 million
- Carmila Retail Development: €10 million

DIVIDEND

An annual cash payout of at least €1 per share for dividends paid between 2022 and 2026, with a target payout ratio of 75% of recurring earnings[1].

FINANCIAL POSITION

Carmila is targeting an LTV ratio of 40% (including transfer taxes) over 2022-2026.

ASSET ROTATION

- In 2022 and 2023, Carmila is targeting aggregate disposals of €200 million and intends to continue shedding assets beyond 2023.
- A portion of the proceeds from these disposals will be reinvested in new assets and in extension and restructuring projects. The remainder will be returned to shareholders.

(1) Dividend subject to shareholder approval.

Agile and efficient

Carmila has the means to achieve its goals. To ensure the success of our new strategic plan, we've adjusted our organisational structure, bolstered our teams and activated additional synergies. Everything is in place to enable us to meet our growth objectives for 2026.

The success of Carmila's strategic plan depends on three key factors: expertise, commitment and our ability to work effectively together. That's why we started strengthening synergies between our teams in 2021. Cross-disciplinary working groups were set up early in the year to brainstorm on fundamental projects in such areas as customer knowledge, services for retailers, business partnerships, omnichannel solutions and asset transformation. These discussions served as the bedrock for new strategic objectives. To improve oversight of the plan's implementation and to facilitate information sharing, the Executive Committee and the Management Committee have been redefined and specific committees, such as one dedicated to retailers, have been created. Each committee encompasses a range of skills and profiles to provide specialised insights, stimulate discussion, accelerate progress and ensure effective coordination between the various business lines. To put the focus on customer and tenant satisfaction again, the Marketing department has been reorganised to include the Network team and a retailer NPS has been created to measure and improve the quality of our relationships with retailers.

Developing our skills base

We've also hired new talent to provide more effective support to the development of our fast-growing businesses. A team of specialists has been set up for Next Tower, and the Carmila Retail Development team has been bolstered. Our strategy for enhancing employee skills includes individual training for all, new collaborative working tools and the introduction of a digital "Integration Week" to get new arrivals rapidly acquainted with the internal ecosystem. Carmila also uses work-study programmes to develop a pool of well-trained employees for the future. In fact, young people on work-study contracts account for more than 15% of its total workforce. Trained and supported, Carmila's teams are firmly committed to serving the company and its corporate purpose – an undeniable asset for the future.

Testimonials from our teams

"To drive further improvement in Carmila's performance, the enthusiasm of our teams is essential. We need to maintain our levels of employee satisfaction and pride. That's why we've launched an HR programme known as Act Together, which includes numerous initiatives for developing employee engagement and improving quality of life at work."
Marie Muchir, Human Resources Director

"The new business partnerships activity was created in 2021 to help achieve the objectives Carmila has set in terms of deploying new concepts in its centres. Our efforts to support emerging brands has resulted in a record crop of pop-up stores and sales events – a result that reflects this market's strong growth potential for the future."
Christina Kerouedan, Director of Pop-up Stores & Business Partnerships

"To implement the Group's strategy more rapidly and more efficiently, we've adapted Carmila Spain's organisational structure. The creation of a local CSR team will enable us to better track our environmental performance. And we've also set up a team tasked with developing Next Tower in Spain, which will draw on the expertise acquired in France."
Alberto Rodriguez,
Chief Operating Officer, Spain

An experienced Board of Directors

Diversity and complementary skills are the qualities that characterise Carmila's Board of Directors.
In 2021, the Board of Directors prepared a new strategic plan for 2022-2026, which sets out Carmila's goal of building sustainable growth and investing in new business lines.

At end-2021, Carmila's Board of Directors had 13 members. Independent Directors, including the Lead Independent Director, make up the majority, with eight of the seats. The Board also comprises four Directors representing the main shareholder, Carrefour.
Six of the 13 Directors are women, or 46.15% of members.
Women chair three of the four specialised committees.
The Board of Directors encompasses people with varied profiles and complementary skills, who have proven expertise in property, finance, CSR and executive management. The Board's digital skills have also been strengthened by the appointment of Élodie Perthuisot in May 2021.
In 2021, the Board's work focused in particular on addressing the impact of the health crisis on Carmila's operations and defining a new strategic and financial plan for 2022-2026.

46.15% women

8/13 Independent Directors

97.73%(1) attendance rate

3/4 committees chaired by women

(1) Average attendance not including Non-Voting Directors.

13 DIRECTORS including **1 Lead Independent Director**

- ● Audit Committee
- ● Nomination and Compensation Committee
- ● Strategy and Investment Committee
- ● CSR Committee

MARIE CHEVAL ●●
Chair and Chief Executive Officer of Carmila

OLIVIER LECOMTE
Lead Independent Director ●●

SOGECAP
Represented by **YANN BRIAN**
Independent Director ●

PREDICA
Represented by **EMMANUEL CHABAS**
Independent Director ●

SÉVERINE FARJON
Independent Director ●●

MARIA GARRIDO
Independent Director ●●

LAURENT LUCCIONI
Independent Director ●

JÉRÔME NANTY ●●

ELODIE PERTHUISOT

CLAIRE NOËL DU PAYRAT ●

NADRA MOUSSALEM
Independent Director ●

CARDIF ASSURANCE VIE
Represented by **NATHALIE ROBIN**
Independent Director ●●

LAURENT VALLÉE ●●●

A Board whose work is guided by **four specialised Committees**

Audit Committee

The Audit Committee's role is to supervise matters relating to the preparation and control of accounting and financial information and to monitor the effectiveness of the operational risk management and internal control system.

6 meetings in 2021
4 members

Chaired by
OLIVIER LECOMTE

Strategy and Investment Committee

The Strategy and Investment Committee is tasked with reviewing Carmila's investment strategy and that of its subsidiaries, as well as any decisions relating to investment or divestment projects.

4 meetings in 2021
6 members

Chaired by
NATHALIE ROBIN

Nomination and Compensation Committee

The Nomination and Compensation Committee assists the Board of Directors with the determination and regular assessment of all compensation and benefits allocated to Carmila's corporate officers and senior executives, and with the membership of its executive bodies.

3 meetings in 2021
5 members

Chaired by
SÉVERINE FARJON

CSR Committee

Created in 2020, the CSR Committee is responsible for discussing, defining and assessing Carmila's general policies in the area of corporate social responsibility.

2 meetings in 2021
5 members

Chaired by
SÉVERINE FARJON

Varied and complementary skills

The Board of Directors has a broad array of skills at its disposal, thanks to experienced members with proven expertise.

- Property
- Finance
- International
- Digital
- CSR
- Executive management

1 2 3 4 5 6 7 8 9

A fully-engaged Executive Committee

"The quality of our 2021 results, the clarity of our strategy and the professionalism of our teams give us confidence in Carmila's future. Drawing on the culture of agility and innovation that unites us and guided by our purpose statement, we're ready to respond to the key trends shaping both retail and our local regions, for the benefit of customers and retailers."

6 - Marie Cheval, Chair and Chief Executive Officer

"Carmila has ambitious objectives for the coming years. Fulfilling our role as a socially and economically responsible corporate citizen is a key priority. We must prepare our assets for the future, by improving their performance, making them more virtuous and integrating them more seamlessly into their environment. The aim is to make our centres a key focus of urban life over the long term to help meet the challenges facing our local regions."

5 - Sébastien Vanhoove, Deputy Chief Executive Officer

"Just like in France, our teams in Spain and Italy are ready to deploy the Group's new strategy. In Spain, we're leveraging our position as market leader to strengthen our ties with retailers and support them in their omnichannel strategies, while optimising synergies with Carrefour. We've also adapted our organisational structure to help meet Carmila's commitments in terms of CSR and the deployment of its new business lines: Carmila Retail Development and Next Tower."

7 - Sebastian Palacios,
Managing Director Spain and Italy

"Carmila has always forged strong partnerships with retailers, a policy that proved its worth during the health crisis. Now, we need to deepen that relationship, by supporting brands at every stage of their development to improve their performance and working with them to create new formats aligned with their growth objectives and with new consumer trends."

2 - Eric Robert,
France Leasing Director

"Speeding up the implementation of our omnichannel strategy will enable us to more effectively support the retail transformation, which represents the very essence of our corporate purpose.
It will also help us improve our customer and tenant satisfaction rates – indicators that are of utmost importance to us."

3 - Sandrine Mercier,
Marketing, Network, Digital & Innovation Director

"In all our host regions, we're taking action to enhance the attractiveness of our assets. We're doing this through our role as a property company, via a pipeline of extension and restructuring projects and mixed-use developments, but also through our new role as an investor, injecting capital into promising retailers in order to secure the long-term viability of our sites."

9 - Frédéric Desprès,
Chief Operating Officer and Director of Carmila Retail Development

"With the revenue prospects offered by our new business lines, a stable rental base and a disciplined debt structure, we are confident in our ability to achieve our future growth targets and financial and non-financial performance objectives."

4 - Pierre-Yves Thirion,
Chief Financial Officer

"Everything we've done to enhance communication and strengthen our relationships has had two tangible results: we've fostered a real sense of attachment to our centres and given meaning to our purpose statement and our values. This has resulted in strong engagement from both our teams and our partners."

1 - Morgan Lavielle,
Group Communications Director

"With projects ranging from major extensions and restructuring programmes to renovations and the creation of food parks, we're adding value to our assets in all regions, in accordance with the type of site involved and its role in the social and economic environment. Our local roots are tethered by this in-depth knowledge of each local region."

8 - Marine Hurpin,
Chief Operating Officer, France

To our **650** million
visitors in France,
Spain and Italy,

To the **6,300** tenants, retailers,
franchisees and independent players,

To the more than **60,000** retail
employees who work every day
at our centres,

To our local partners
in more than **200** regions,

To our institutional partners,
investors, shareholders,

To our own **280** employees,

Thank you

to all our stakeholders for their energy and support in joining us to serve retailers, customers and visitors in the heart of each community.

2. Business review and assets

2.1 2021 business review

2.1.1 Shopping centre openings, footfall and sales

2.1.1.1 Health environment

Two distinct periods shaped 2021 for Carmila: the first half of the year saw the health crisis continue, due mainly to restrictions imposed on stores in shopping centres across France and in certain regions of Spain and Italy, while in the second half of the year, the situation gradually returned to normal.

The impact of the health crisis on Carmila's business was less marked in 2021 than in 2020, with shopping centre stores closed for less time than in the previous year (2.2 months on average in 2021, compared with 3.0 months in 2020).

From June onwards, all stores in Carmila centres were able to welcome back their customers, subject to compliance with less stringent rules than at the beginning of the year. In the three countries where Carmila operates, a "health pass" or similar measure was introduced for some businesses, such as seated food service and cinemas. In France, several Carmila centres were subject to the health pass requirement for entry into shopping centres of more than 20,000 sq.m. in some French départements in August and September. Lastly, in some regions in Spain, and notably Catalonia, capacity limits were introduced for restaurants and shopping centres.

2.1.1.2 Footfall and retailer sales

Footfall and retailer sales in Carmila centres were hard hit by the government-imposed closures in the first five months of the year. Once lockdowns were lifted, customers came back to Carmila centres.

Due to these first-half closures, footfall in Carmila centres in 2021 averaged 82% of the level observed in 2019 (86% of footfall in France, 79% in Spain and 79% in Italy). As a comparison, footfall in 2021 averaged 106% of the footfall recorded in 2020 (105% of 2020 footfall in France, 108% in Spain and 114% in Italy).

Retailer sales in 2021 stood at 81% of 2019 sales in France, 86% in Spain, 90% in Italy and 82% in all three countries. Retailer sales in 2021 averaged 106% of the 2020 figure (103% of 2020 retailer sales in France, 114% in Spain and 125% in Italy). However in the second half of 2021, following the reopening of 100% of stores, retailers sales were 98% of the 2019 level in France, 92% in Spain, 99% in Italy and 97% for Carmila as a whole. The upturn in retailer sales during this period was greater than the increase in footfall, suggesting a change in consumer behaviour in Carmila centres, shifting towards a larger basket per visit.

2.1.1.3 2021 footfall and retailer sales by quarter

STORES OPEN AS A PERCENTAGE OF CONTRACTUAL RENT, FOOTFALL AND SALES AS A PERCENTAGE OF 2019 FIGURES

	Change in footfall and retailer sales in 2021				
FRANCE	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2021**
Proportion of stores open	63%	50%	100%	100%	78%
Footfall as a % of 2019	79%	79%	90%	93%	86%
Retailer sales as a % of 2019	56%	66%	99%	98%	81%
SPAIN	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2021**
Proportion of stores open	78%	95%	100%	100%	93%
Footfall as a % of 2019	72%	80%	79%	82%	79%
Retailer sales as a % of 2019	69%	86%	91%	93%	86%
ITALY	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2021**
Proportion of stores open	54%	76%	100%	100%	83%
Footfall as a % of 2019	70%	78%	82%	84%	79%
Retailer sales as a % of 2019	71%	88%	99%	99%	90%
TOTAL	**FIRST QUARTER**	**SECOND QUARTER**	**THIRD QUARTER**	**FOURTH QUARTER**	**FULL-YEAR 2021**
Proportion of stores open	65%	74%	100%	100%	85%
Footfall as a % of 2019	76%	79%	85%	88%	82%
Retailer sales as a % of 2019	60%	71%	97%	97%	82%

2.1.2 Leasing activity

2.1.2.1 Summary

Carmila's leasing activity was very dynamic in 2021, with a record number of leases signed over the year: 1,144 leases signed, up 31% on 2019 and up 67% compared to 2020, for total minimum guaranteed rent (MGR) of €55.8 million, i.e., 15.6% of the rental base. Reversion was positive on new leases, coming out 6.3% above rental appraisal values on average, and reversion on renewals was a positive 1.9% on average. This record level of new leases signed – concerning only long-term leases – was achieved without any change in the usual contractual terms or in the policy regarding lease incentives (lessor's contribution to works carried out by the lessee, rent-free periods, etc.).

(in thousands of euros)	31 Dec. 2021							
	Leased vacant premises			Letting of extensions		Renewals		
	Number of leases	Annual MGR	MGR versus appraisal rental values	Number of leases	Annual MGR	Number of leases	Annual MGR	Reversion
France	269	17,981	7.9%	11	996	366	17,287	1.3%
Spain	167	5,533	3.9%	8	465	266	9,614	2.2%
Italy	31	1,707	0.7%			26	2,212	4.8%
TOTAL	**467**	**25,221**	**6.3%**	**19**	**1,461**	**658**	**29,113**	**1.9%**

(in thousands of euros)	31 Dec. 2021		31 Dec. 2020		31 Dec. 2019	
	Total		Total		Total	
	Number of leases	Annual MGR	Number of leases	Annual MGR	Number of leases	Annual MGR
France	646	36,264	397	25,072	464	29,630
Spain	441	15,612	250	9,085	372	11,880
Italy	57	3,919	37	1,991	38	2,326
TOTAL	**1,144**	**55,795**	**684**	**36,148**	**874**	**43,836**

Carmila's current strategy includes refreshing the merchandise mix of its centres, focusing particularly on healthcare, and diversifying its rental base by letting its premises to retail brands from a variety of sectors, thereby gradually reducing its exposure to Clothing & Accessories.

2021 saw a large number of new projects launched by retailers in Carmila centres. The following lease transactions were signed in the year, some of which with new tenants for Carmila – including new concepts and digital native vertical brands (DNVBs) – and some with sector leaders.

In France:

- New tenants for Carmila: Miniso, Studio Comme J'aime, Crazy Kids, Kraft, Cuisinella, Five Guys and We audition;
- New concepts: Le Repaire des Sorciers, Even, Bambino, Hem Concept, Mon Petit Herbier, Maxi Zoo, Les Canons and Marquette;
- Market leaders and fast-growing retailers: H&M, Kiabi, Cultura, Mango, Action, Normal, Intersport, Hubside, Normal, New Yorker and King Jouet.

In Spain:

- National brands: Tiendanimal, CrazyPet, Soloptical, Tramas+;
- International leaders: Ben & Jerry's, McDonald's, Taco Bell;
- International brands seeking to secure a foothold in Spain: Broaster, Pepco, Mr. DIY.

2.1.2.2 Temporary retail activity

The service platform includes Carmila's temporary retail activity offering, focused on providing space in Carmila centres for short to medium-term periods. Designed to be complementary with traditional stores, temporary retail gives visitors the opportunity to discover an increasingly innovative offering. Temporary retail is focused on two areas:

- Specialty Leasing;
- Pop-up Stores.

(in thousands of euros)	31 Dec. 2021			31 Dec. 2020			Change
	Specialty Leasing	Pop-up Stores	Total SL+PS	Specialty Leasing	Pop-up Stores	Total SL+PS	%
France	5,105	2,082	7,187	4,582	1,510	6,092	18.0%
Spain	4,863	288	5,151	5,222	200	5,422	-5.0%
Italy	1,173	86	1,259	1,225	-	1,225	2.8%
TOTAL	**11,141**	**2,456**	**13,597**	**11,029**	**1,710**	**12,739**	**6.7%**

Specialty Leasing

Specialty Leasing helps re-energise shopping centres by enriching the customer experience. This activity covers both the leasing of space in the shopping centres and car parks, and the signature of digital advertising partnership agreements.

The business was hard hit in the first half of 2021 by the health crisis and by retail closures in Carmila centres. However, in the periods when all stores were open, Specialty Leasing enjoyed strong momentum, especially over the Christmas period. Specialty Leasing revenue was up 1% on 2020 and down only 11% on 2019, despite an average closure period of 2.2 months.

Pop-up Stores

Carmila offers retailer tenants the opportunity to open pop-up stores for periods ranging from 4 to 34 months. The pop-up store concept is burgeoning, and helps re-energise Carmila centres, particularly suited to new and innovative concepts, such as the first physical DNVB stores. Carmila can also accommodate for flash pop-up formats such as one-day to one-week sales events.

Leasing activity for Pop-up Stores was particularly buoyant in 2021, generating more revenue than in both 2020 (44% higher) and 2019 (32% higher), despite a period of store closures and lower footfall in the first half of the year.

2.1.2.3 Structure of leases

With 6,346 leases under management at 31 December 2021, Carmila has a solid and diversified base of tenants, with rents from the Carrefour group representing less than 1.0% of net rental income in 2021. Annualised rents totalled €358.4 million. At 31 December 2021, the rental base grew by 0.2% like-for-like versus year-end 2020, and was stable on a reported basis (down 0.2%).

Breakdown of number of leases and contractual rents on an annualised basis by country

	At 31 December 2021			At 31 December 2020		
Country	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total
France	3,580	243.0	67.8%	3,489	239.5	66.7%
Spain	2,410	94.0	26.2%	2,434	97.8	27.3%
Italy	356	21.3	5.9%	359	21.7	6.0%
TOTAL	**6,346**	**358.4**	**100%**	**6,282**	**359.0**	**100%**

Principal tenant retailers

At 31 December 2021, the 15 leading tenants accounted for 18.4% of annualised rents, with no individual retailer accounting for 2.0% or more of gross rental income.

The table below shows the annualised rents and business segment of the 15 largest tenants at 31 December 2021.

		At 31 December 2021	
Tenant	Business segment	Annualised contractual rent *(in millions of euros)*	% of total
Inditex	Clothing & Accessories	6.4	1.8%
Alain Afflelou	Health & Beauty	6.2	1.7%
Feu Vert	Services	5.8	1.6%
Orange	Culture, Gifts & Leisure	5.5	1.5%
Jules Brice Bizzbee	Clothing & Accessories	4.7	1.3%
H&M	Clothing & Accessories	4.6	1.3%
McDonald's	Food & Restaurants	4.6	1.3%
Flunch	Food & Restaurants	4.1	1.1%
Nocibé	Health & Beauty	3.9	1.1%
Micromania	Culture, Gifts & Leisure	3.8	1.1%
Yves Rocher	Health & Beauty	3.5	1.0%
Camaïeu	Clothing & Accessories	3.4	0.9%
Kiabi	Clothing & Accessories	3.4	0.9%
Mango	Clothing & Accessories	3.0	0.8%
Celio	Clothing & Accessories	2.9	0.8%
		65.9	**18.4%**

Breakdown of contractual rent by business segment on an annualised basis

The table below shows Carmila's annualised rents by business segment at 31 December 2021:

	At 31 December 2021			At 31 December 2020		
	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total
Clothing & Accessories	1,394	113.9	31.8%	1,404	117.9	32.8%
Culture, Gifts & Leisure	1,045	69.4	19.4%	1,021	67.7	18.9%
Health & Beauty	1,224	67.9	18.9%	1,199	66.9	18.6%
Food & Restaurants	895	46.7	13.0%	866	46.9	13.1%
Household Furnishings	301	31.1	8.7%	289	30.2	8.4%
Services	1,374	28.5	8.0%	1,393	28.9	8.0%
Other	113	1.0	0.3%	110	0.5	0.1%
TOTAL	**6,346**	**358.4**	**100%**	**6,282**	**359.0**	**100%**

The 107-basis-point decrease in Clothing & Accessories rents as a proportion of total rents mainly benefited the Culture, Gifts & Leisure (up 50 basis points), Health & Beauty (up 30 basis points) and Household Furnishings (up 25 basis points) segments. The proportions of the rental base represented by the other sectors remained stable in terms of rent.

Breakdown of contractual rent by retail segment on an annualised basis

Carmila rents space to large, well-known national and international brands in order to promote the visibility of its shopping centres, as well as to local brands to reinforce its local roots.

The table below shows the breakdown of annualised rents between international, national, and local brands in 2020 and 2021:

	At 31 December 2021			At 31 December 2020		
Categories	**Number of leases**	**Annualised rent** *(in millions of euros)*	**% of total**	**Number of leases**	**Annualised rent** *(in millions of euros)*	**% of total**
International brands	2,456	192.0	53.6%	2,438	189.8	52.9%
National brands	2,253	115.2	32.2%	2,235	117.7	32.8%
Local brands	1,637	51.2	14.3%	1,609	51.5	14.4%
TOTAL	**6,346**	**358.4**	**100%**	**6,282**	**359.0**	**100%**

	At 31 December 2021		
Categories	**France**	**Spain**	**Italy**
International brands	54.3%	55.9%	34.8%
National brands	32.8%	26.6%	49.5%
Local brands	12.9%	17.5%	15.7%

Lease expiry dates

At 31 December 2021, the average lease term was 4.5 years, breaking down as 4.9 years in France, 4.1 years in Spain and 2.7 years in Italy.

The table below shows the expiry dates for commercial leases relating to the property portfolio for the 2021-2031 period (data at 31 December 2021):

	At 31 December 2021		
Lease expiry dates	**Number of leases**	**Maturity***	**Annualised contractual rent** *(in millions of euros)*
Expired 31 December 2021	736	0.0	35.3
2022	754	0.5	29.1
2023	562	1.5	23.6
2024	549	2.6	30.3
2025	494	3.6	23.5
2026	631	4.6	32.9
2027	526	5.6	39.8
2028	471	6.6	32.9
2029	391	7.6	26.3
2030	483	8.7	34.0
2031	422	9.5	27.2
Beyond 2031	327	11.8	23.4
TOTAL	**6,346**	**4.5**	**358.4**

* *Average remaining lease maturity in years.*

Basis for setting rents

Most of Carmila's leases have a dual-component structure consisting of a fixed portion, the minimum guaranteed rent (MGR), and an additional variable rent, calculated as a percentage of the tenant's annual sales excluding taxes.

At 31 December 2021 in its three countries, Carmila had 4,808 leases with double-component rents and 1,538 leases with fixed rent only, representing 83.2% and 16.8% of annualised rents, respectively.

The table below shows the structure of Carmila's rents at 31 December 2021:

	At 31 December 2021		
	Number of leases	Annualised rent *(in millions of euros)*	% of total
Leases with variable rent clauses	4,808	298.1	83.2%
Of which leases with minimum guaranteed rent and additional variable rent	*4,795*	*295.4*	*82.4%*
Of which leases with variable rent only	*13*	*2.7*	*0.8%*
Fixed-rent only leases	1,538	60.3	16.8%
TOTAL	**6,346**	**358.4**	**100.0%**

The table below shows the breakdown of rents between minimum guaranteed rent and variable rent at 31 December 2021:

	At 31 December 2021			
	Number of leases	MGR	Variable rents	Total
Leases with variable rent clauses	4,808	293.9	4.2	298.1
Of which leases with minimum guaranteed rent and additional variable rent	*4,795*	*293.9*	*1.5*	*295.4*
Of which leases with variable rent only	*13*	*0.0*	*2.7*	*2.7*
Fixed-rent only leases	1,538	60.3	0.0	60.3
TOTAL	**6,346**	**354.1**	**4.2**	**358.4**

2.1.2.4 Financial occupancy

	Financial occupancy (excl. strategic vacancies)		
Country	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019
France	96.4%	95.8%	95.9%
Spain	95.5%	95.0%	96.4%
Italy	98.7%	96.9%	98.8%
TOTAL	**96.3%**	**95.7%**	**96.3%**

At 31 December 2021, the consolidated financial occupancy rate of Carmila's assets was 96.3%, on a par with the pre-Covid rate, with 96.4% in France, 95.5% in Spain and 98.7% in Italy.

The financial occupancy rate is defined as the ratio between the amount of rent invoiced and the amount of rent that Carmila would collect if its entire portfolio were leased, with the estimated rent for vacant lots being determined on the basis of rental values used by appraisers. The financial occupancy rate is stated excluding strategic vacancies, which are the vacancies made necessary in order to carry out renovation, expansion, or restructuring projects within the shopping centres.

The impact of strategic vacancies is 1.5% in France, 2.7% in Spain and 1.9% in Italy, which represents a consolidated impact for Carmila of 1.8% at 31 December 2021.

2.1.2.5 Retailer occupancy cost ratio

Owing to the effects of the health crisis resulting in trading being interrupted for 2.2 months on average for retailers in Carmila centres, the occupancy cost ratios for 2021 are not representative.

2.1.3 New strategic plan: Building Sustainable Growth

2.1.3.1 A new strategic plan focused on growth and sustainability

In 2021, Carmila launched its new strategic and financial plan for 2022-2026. This plan reflects Carmila's new ambition to build sustainable growth and invest in new business lines. It is Carmila's response to structural changes in retail, which have gathered pace with the Covid crisis. The plan is based on three pillars:

- A new role for Carmila as an incubator and omnichannel platform;
- Leadership in sustainability, notably through a new generation of development projects based on mixed-use and a commitment to reach "net zero" by 2030;
- Investment in new business lines: digital infrastructure and new retail concepts.

2.1.3.2 An incubator and omnichannel platform for retailers

Carmila is accelerating the adaptation of its core business through a new approach to working with retailers. To meet changing customer expectations, Carmila centres are acting as incubators for new brands and concepts, and especially for DNVBs. Carmila is also stepping up the development of its service platform for retailers with a particular focus on omnichannel, by combining them in the Carmila Services Hub, which was launched in 2021. Through partnerships with an ecosystem of startups, Carmila is also enhancing its service offering to retailers at every stage of the customer experience. These initiatives will support the omnichannel development of centres and retailers.

As part of this strategy, Carmila carried out several initiatives in 2021, including:

- bolstering its online presence by developing a geo-located customer database of 4.1 million opt-in contacts in France, Spain and Italy;
- continuing to develop interactions with its customer community by partnering with a network of 263 local influencers, publishing over 16,000 posts;
- maintaining a high level of visibility for Carmila shopping centres on socials, including TikTok.

Carmila is also changing the face of retail with quick commerce and live shopping pilot projects, by:

- in partnership with the startup MADEINLIVE (the only French production company to offer a comprehensive in-house "live services" package featuring a live shopping platform), organising its first live shopping events for customers on social media;
- teaming up with Glovo in Spain to develop a premium 30-minute delivery service for stores at five shopping centres;
- piloting a purchasing tool in Spain that connects customers via WhatsApp with a personal shopper.

Lastly, in June 2021, Carmila launched the “DNVB Ready” competition aiming to identify innovative concepts with a mostly online presence, and develop them in its centres. Carmila is committed to helping the four winners of its DNVB Ready competition roll out their brand in its shopping centres. Flotte, Le Beau Thé, Bandit and Baya will be supported in setting up their own store, a sales corner in the Marquette concept store or a pop-up store. The competition's success attests that brands first developed online see the value of having a physical presence in shopping centres.

2.1.3.3 Creation of the Next Tower business line

Carmila is developing a new business line by investing in digital infrastructure through its subsidiary Next Tower.

Next Tower is aiming to develop a total of 470 sites by 2026 in France and Spain. In 2026, Next Tower will deliver an annual contribution of €10 million to Carmila’s recurring earnings, with assets worth an estimated €180 million and €50 million in value created.

At 31 December 2021, Next Tower operated 71 sites with a shared rental rate (average number of antennae per site) of 1.2, annualised rent of €905 thousand, and an estimated value of €13 million.

2.1.3.4 Scaling up the expansion of Carmila Retail Development

Carmila Retail Development (CRD) makes early-stage venture capital investments to test new concepts and scale them up rapidly once they have demonstrated that they can be successful in shopping centres.

By 2026, CRD is targeting a portfolio of 20 brands, representing more than 700 stores in both Carmila and third-party centres.

CRD will become a new business line consisting of a €40-million portfolio of minority venture capital investments in new retail concepts. It is targeting an annual contribution to Carmila recurring earnings of €10 million by 2026.

At end-2021, CRD had 12 partnerships, five of which were signed in the year. These partner retail brands represent a total of 235 stores (112 in Carmila centres), including 81 stores opened over the year (35 in Carmila centres).

2.1.3.5 A new climate commitment: net zero by 2030

Carmila is targeting “net zero” Scopes 1 & 2 carbon emissions by 2030, by which time it will have cut emissions by 90% versus 2019 through reducing energy consumption and transitioning to renewable energy for its centres. The remaining 10% of emissions will be offset, in keeping with the recommendations of the Science Based Targets initiative (SBTi), through the financing of the environmental transition of local farms

in partnership with TerraTerre. Carmila will also continue to reduce its Scope 3 emissions, with the aim of becoming fully carbon neutral by 2040.

At the end of 2021, Carmila’s Scopes 1 & 2 greenhouse gas emissions were 10% lower than in 2019, due notably to a 15% reduction in energy consumption compared to 2019.

2.1.3.6 Adding growth to a resilient core business

Carmila is confident that it can maintain the current low vacancy rate and a stable rental base in the coming years, supported by its incubator model and moderate rents. Core business performance is expected to normalise with a progressive improvement in rent collection and a stable rental base in the coming quarters.

In addition to the resilient performance of its core business, Carmila expects the three major new initiatives, the incubator model and services to retailers, Next Tower and Carmila Retail Development, to deliver €30 million of incremental recurring earnings by 2026.

Growth in the contribution of these initiatives is expected to be linear over the 2022-2026 period, with the total additional contribution representing an increase of 18% versus 2020 recurring earnings.

2.1.3.7 Targeting 10% annual recurring EPS growth for 2022 and 2023

Carmila is targeting 10% annual growth in recurring earnings per share (EPS) in 2022 and 2023, supported by the normalisation of financial performance and the initial impact of the new business initiatives. From 2024 onwards, additional growth will be mainly driven by new business initiatives. This financial trajectory assumes that there will be no further Covid-related centre closures from 2022. It is also drawn up on a constant scope basis as regards Carmila centres, but includes the contributions of Carmila Retail Development and Next Tower. It also includes the additional cost of the emissions reduction roadmap, which will be well underway by 2026. Carmila also targets an absolute reduction in its cost base in 2026 versus 2021.

2.1.3.8 A new asset rotation programme

After several years of expansion and acquiring new sites, Carmila has launched a strategy to dispose of sites that have reached maturity. In 2022 and 2023, Carmila is targeting aggregate disposals of €200 million and intends to continue disposing of assets beyond 2023.

Part of the proceeds from these disposals will be reinvested in new assets and in extension and restructuring projects. The remainder will ensure the strength of Carmila's finances or be paid out to shareholders.

During the first half of the year, Carmila initiated this asset rotation programme with the sale of a retail park in Nanteuil-lès-Meaux at its end-December 2020 appraisal value. The proceeds from this disposal were used to fund a share buyback programme for €8 million.

2.1.3.9 Proceeds from disposals to finance share buybacks

Carmila intends to use part of the proceeds from asset disposals to support distributions to shareholders. If Carmila shares remain at a significant discount to its net tangible asset value, this will take the form of share buybacks.

2.1.4 Development pipeline

2.1.4.1 A leader in the sustainable transformation of local regions

As part of its new strategy, Carmila's development pipeline has been completely revamped with a new focus on mixed-use projects and environmental excellence. The five major extension projects, representing €550 million of investments for a yield of 6.6%, consist mostly of brownfield retail developments that also include housing, public parks, office space and renewable energy infrastructure.

Barcelona – Tarrasa: one of the key hypermarkets in the Barcelona area has strong potential for becoming a regional centre.

Montesson: this shopping centre is adjacent to the second largest Carrefour hypermarket in France and is located in a very dense catchment area with low competition. The regional commercial development authority (CNAC) issued its approval in May 2021.

Toulouse Labège: this site will benefit from the completion of the Toulouse metro in 2025 and the presence of a leading hypermarket to the south of greater Toulouse.

Antibes: this centre adjoins the largest Carrefour hypermarket in France and intends to consolidate its leading position by leveraging its exceptional location along the A8 motorway and the extension of the tramway. Carmila hopes to develop a mixed-use project here in step with new trends in consumption.

Orléans Place d'Arc: the only shopping centre in the city centre located at the intersection of an intermodal transport hub (road network, bus, tramway, railway station), this project is designed to make the city centre more attractive through urban development, the extension of the shopping centre and the creation of housing.

Work on these five projects will start with Montesson in 2023. This €150 million project will be financed by asset rotation.

In addition to these five major extension projects, Carmila has a pipeline of around 60 restructuring and rehabilitation projects per year, costing around €25 million and generating a return of over 10%.

Development projects	Country	Planned area *(sq.m.)*	Planned opening date	Estimated cost[(1)] *(in millions of euros)*	Full year additional rental value *(in millions of euros)*	Yield[(2)]
PROJECTS DELIVERED IN 2021						
Nice Lingostière	France	14,800	2021			
Coquelles (restructuring)	France	6,000	2021			
TOTAL PROJECTS 2021		**20,800**		**115.4**	**6.8**	**5.8%**
FLAGSHIP PROJECTS						
Tarrassa	Spain	35,105	2025			
Montesson	France	29,167	2025			
Toulouse Labège	France	15,981	2026			
Antibes	France	10,000	2026			
Orléans Place d'Arc	France	7,247	2027			
TOTAL FLAGSHIP PROJECTS		**97,500**		**550.0**	**33.0**	**6.6%**

(1) Total investment represents the market value of Carmila's projected share (50% of the investment) plus Carrefour's share (50% of the investment and 50% of the margin) to be acquired at market value (excluding restructuring costs) when the project is delivered.
(2) Expected net annualised rents divided by the total estimated investment amount.

2.1.4.2 Mixed-use projects

In partnership with Carrefour, Carmila has identified around 20 sites suitable for large-scale mixed use transformation projects that will completely change shopping centres' presence in the city. These currently 100% retail sites will become new neighbourhoods, with homes, offices, local services and green spaces.

For two sites in particular (Sartrouville and Nantes), Carrefour has joined forces with industry expert Altarea to transform these locations into new mixed-use areas, thereby giving these regions a new lease of life and boosting their appeal. Work will start on the first projects from 2025, with delivery from 2030.

2.1.4.3 2021 projects

- Nice Lingostière – Extension project for a landmark retail complex in France's fifth largest city.

  In May 2021, Carmila opened the extension of the Carrefour shopping centre located at Nice Lingostière. The centre is located in a well-known leisure complex offering an appealing range of food outlets, clothing stores and numerous services. The extension is a commercial success, with the entire retail space fully leased, including to some high-profile names like Cultura and H&M. The extension increased the centre's gross leasable area from 7,811 sq.m. to 20,602 sq.m., covering a total of 92 stores.
- Calais-Coquelles – Major restructuring to give new commercial drive to this well-known centre and prime site.

  The project involved the restructuring of the shopping arcade in the Carrefour Cité Europe shopping centre, located at Coquelles in the Calais area. More than 30 retailers opened or extended their stores in the centre in 2020 and first-half 2021. In January 2021, Primark opened a store with a sales area of more than 4,000 sq.m. on two levels. The customer experience has been optimised, thereby completing the transformation of this leading site and giving it fresh retail momentum.
- 2021 restructuring projects: in 2021, Carmila carried out major restructuring at around 20 sites, generating net additional rent of €3.0 million and a return of over 10%.

2.2 Assets and valuation

2.2.1 Key figures concerning the portfolio

2.2.1.1 Description of the portfolio

At 31 December 2021, Carmila had 214 shopping centres and retail parks adjoining Carrefour hypermarkets located in France, Spain and Italy, valued at more than €6.2 billion, including transfer taxes and work in progress, for a total leasable area of close to 1.6 million sq.m.

In France, Carmila is the owner of its assets which are either divided into units or held under co-ownership arrangements. In Spain, Carmila holds its assets through co-ownership arrangements. All of Carmila's assets in Italy are fully owned.

The real estate of Carrefour's hypermarkets and supermarkets, as well as the car parks adjoining the shopping centres held by Carmila, are owned by Carrefour group entities.

2.2.1.2 Presentation of Carmila's most important assets

Out of 214 commercial real estate assets making up Carmila's portfolio, 15 assets represent 39% of the appraisal value (including transfer taxes) and 26% of the gross leasable area at 31 December 2021. The following table provides information about these 15 properties:

Name of centre, city	Year of construction	Year of acquisition	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
FRANCE					
BAB 2 - Anglet	1967	2014	129	27,057	58.9%
Toulouse Labège	1983	2014	129	24,117	56.5%
Calais-Coquelles	1995	2014	155	52,538	77.1%
Thionville	1971	2016	157	30,248	46.7%
Bay 2	2003	2014	105	20,870	53.7%
Nice Lingostière	1978	2014	101	21,128	43.1%
Vitrolles	1971	2018	85	24,405	42.9%
Montesson	1970	2014	64	13,263	34.1%
Saran-Orléans	1971	2014	91	38,731	64.2%
Chambourcy	1973	2014	73	21,333	43.5%
Évreux	1974	2014	78	37,811	70.4%
Orléans Place D'Arc	1988	2015	67	13,575	57.4%
Perpignan Claira	1983	2014	78	21,040	60.5%
Total France (top 13)			**1,312**	**346,115**	
SPAIN					
Fan Mallorca	2016	2016	106	38,141	75.0%
Huelva	2013	2014	94	34,151	78.3%
Total Spain (top 2)			**200**	**72,292**	
TOTAL (TOP 15)			**1,512**	**418,407**	

2.2.2 Asset valuation

2.2.2.1 Appraisals and methodology

The investment properties that comprise Carmila's assets are initially recognised and valued individually at their construction or acquisition cost including transfer taxes and expenses, and subsequently measured at their fair value. Any changes in fair value are recognised through the income statement.

The fair values used are determined based on the findings of independent appraisers. Carmila uses appraisers to value its entire portfolio at the end of every half-year. The assets are inspected by the appraisers annually. The appraisals comply with the guidance contained in the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors ("Red Book"). In order to conduct their work, the appraisers have access to all the information needed to value the assets, and specifically the rent roll, the vacancy rate, rental arrangements and the main performance indicators for tenants (retailer sales).

They independently determine their current and future cash flow estimates by applying risk factors either to the net rental income capitalisation rate or to future cash flows.

Appraisers paid particular attention to the impact of the crisis on the market value of assets. The material valuation uncertainty clauses introduced by appraisers at the start of the health crisis in 2020 were lifted for all assets during 2021.

The appraisers appointed by Carmila are as follows:

- in France, Cushman & Wakefield and Catella;
- in Spain, Cushman & Wakefield and Catella;
- in Italy, BNP Paribas Real Estate.

Comments on the scope

- No sites in France were rotated between the appraisers Cushman & Wakefield and Catella in 2021, as there had been a change of appraiser at all sites in 2019-2020.
- 23% of the assets in Spain (in terms of gross asset value including transfer taxes) were rotated between the appraisers Cushman & Wakefield and Catella in first-half 2021. The next rotation will take place in the first half of 2022 for the last third of the portfolio.
- In the first half of 2021, Carmila delivered the Nice Lingostière extension.
- Carmila did not acquire any new shopping centres in 2021.
- In June 2021, Carmila sold the Nanteuil les Meaux retail park.

Geographical segmentation of the portfolio

The valuation of the portfolio (attributable to the Group) was €6,214.4 million including transfer taxes at 31 December 2021, and breaks down as follows:

Gross asset value (GAV) Including transfer taxes (ITT) of portfolio	31 Dec. 2021		
Country	In €m	%	In number of assets
France	4,487.7	72.2%	128
Spain	1,374.5	22.1%	78
Italy	352.1	5.7%	8
TOTAL	**6,214.4**	**100%**	**214**

Apart from the fair values determined by the appraisers for each shopping centre, this assessment takes into account assets under construction that amounted to €33.2 million at 31 December 2021. This valuation also includes Carmila's share in the investment properties measured at fair value held in the equity-accounted subsidiaries (As Cancelas shopping centre in Santiago de Compostela in Spain, based on 50%), representing €64.7 million.

2.2.2.2 Change in asset valuations

GROSS ASSET VALUE OF PORTFOLIO, INCL. TRANSFER TAXES (ITT)

	31 Dec. 2021					31 Dec. 2020	
	Gross asset value ITT			Year-on-year change		Gross asset value ITT	
	In €m	%	In number of assets	Reported	Like for like*	In €m	%
France	4,487.7	72.2%	128	1.2%	0.7%	4,433.8	72.1%
Spain	1,374.5	22.1%	78	0.9%	0.9%	1,362.0	22.2%
Italy	352.1	5.7%	8	0.0%	-0.1%	352.0	5.7%
TOTAL	**6,214.4**	**100%**	**214**	**1.1%**	**0.7%**	**6,147.9**	**100%**

* *Excluding Nice Lingostière.*

During 2021, the total value of Carmila's assets increased by €66.5 million, and can be analysed as described below:

- The value of the assets on a like-for-like basis increased by 0.7% (€42.3 million). The like-for-like change is calculated on a comparable shopping centre basis, excluding extensions over the period.
- Other changes are due to:
  - the sale of the Nanteuil-lès-Meaux retail park, which accounted for a decrease of €8.6 million in asset value (i.e., negative impact of 0.1%);
  - the delivery of the Nice Lingostière extension (positive impact of €97.1 million), partly offset by the decrease in works in progress (negative impact of €66.8 million), representing a net positive impact of €30.3 million, or 0.5%;
  - the increase in value of Lou5G (positive impact of €2.5 million).

2.2.2.3 Change in capitalisation rates

	NIY		NPY	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
France	5.64%	5.59%	5.95%	5.99%
Spain	6.67%	6.64%	6.93%	6.89%
Italy	6.04%	6.03%	6.18%	6.10%
TOTAL	**5.89%**	**5.85%**	**6.18%**	**6.20%**

At 31 December 2021, the NPY was down by 2 basis points for the overall portfolio; the decompression in Spain (up 4 basis points) and Italy (up 8 basis points) was offset by a 4-basis-point NPY compression in France.

In France, contrary to the NPY, the NIY increased (up 5 basis points), thanks to the improved financial occupancy rate. The NIY also rose in Spain (up 3 basis points) and Italy (up 1 basis point), but to a lesser extent than the NPY.

2.2.2.4 Breakdown of the appraisal values by CNCC typology

In accordance with the typology drawn up by the French shopping centre trade body (Conseil National des Centres Commercial – CNCC), sites are grouped into three categories: regional shopping centres, large shopping centres and small shopping centres (called local shopping centres in this document).

At 31 December 2021, regional shopping centres and large shopping centres accounted for 79% of the market value of Carmila's portfolio.

	Appraisals at 31 December 2021				
	Gross asset value ITT *(in millions of euros)*	% of value	Average NRI *(€/sq.m.)*	Average ERV of vacancies	NIY
Regional shopping centres	1,599.8	36%	302	195	5.3%
Large shopping centres	1,948.6	43%	290	242	5.6%
Local shopping centres	926.2	21%	178	116	6.3%
Other*	13.0	0%	n.d.	n.d.	6.9%
France	**4,487.7**	**100%**	**257**	**163**	**5.6%**
Regional shopping centres	348.0	25%	206	372	5.7%
Large shopping centres	645.0	47%	202	198	6.8%
Local shopping centres	381.6	28%	259	234	7.3%
Spain	**1,374.5**	**100%**	**218**	**218**	**6.7%**
Regional shopping centres	17.8	5%	204	360	3.9%
Large shopping centres	312.9	89%	240	174	6.1%
Local shopping centres	21.4	6%	273	n.d.	6.7%
Italy	**352.1**	**100%**	**241**	**251**	**6.0%**
Regional shopping centres	1,965.6	32%	277	218	5.3%
Large shopping centres	2,906.5	47%	256	217	5.9%
Local shopping centres	1,329.2	21%	200	148	6.6%
Other*	13.0	0%	n.d.	n.d.	6.9%
GRAND TOTAL	**6,214.4**	**100%**	**245**	**183**	**5.9%**

* Next Tower.

2.2.2.5 Reconciliation of the valuation assessment with the value of investment properties on the statement of financial position

(in millions of euros)	31 Dec. 2021	31 Dec. 2020
Gross asset value ITT of portfolio	6,214.4	6,147.9
Work in progress	(33.2)	(100.0)
Valuation of the share of equity-accounted companies	(64.7)	(61.3)
Transfer taxes and registrations (excluding equity-accounted companies)	(302.7)	(303.0)
Other reclassifications	0.0	0.0
Gross asset value ETT (A)	**5,813.7**	**5,683.6**
Fair value of building leases (IFRS 16) (B)	32.6	33.4
INVESTMENT PROPERTY CARRIED AT APPRAISAL VALUE (STATEMENT OF FINANCIAL POSITION) (A+B)	**5,846.3**	**5,717.0**

2.2.3 Valuation report prepared by Carmila's independent appraisers

2.2.3.1 General context of the valuation

Context and terms of the engagement

In accordance with Carmila's instructions (the "Company") as detailed in the signed valuation contracts between Carmila and the valuers, we have valued the assets held by the Company, taking account of their ownership (freehold, ground lease, etc.). This Summary Report, which summarises the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document.

The valuations were undertaken locally by our valuation teams present in each market. In order to estimate the market value for each asset, we have not only taken into consideration domestic retail investment transactions, but have also considered transactions on a European level. We confirm that our valuations have been prepared in a similar way to other valuations undertaken in Europe, in order to maintain a consistent approach and to take into consideration all the market transactions and information available.

The valuations are based on the discounted cash flow method and the capitalisation method that are regularly used for these types of assets.

Our valuations were undertaken at 31 December 2021.

Reference documents and general principles

We confirm that our valuations were performed in accordance with the appropriate sections of the Code of Conduct of the November 2019 Edition of the RICS Valuation – Global Standards 2020 (the "Red Book"), effective 31 January 2020. This is a valuation basis accepted on an international level. Our valuations are compliant with IFRS and IVSC guidance. The valuations have also been prepared on the basis of the AMF recommendations on the presentation of valuations of real estate assets owned by listed companies, published on 8 February 2010. Furthermore, they take into account the recommendations of the Barthès de Ruyter report on valuations of real estate owned by listed companies, published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers as defined by the Red Book standards published by RICS.

Basis of valuation

Our valuations correspond to the Market Value and are reported to the Company as both gross values (market value before deduction of transfer costs) and net values (market value after deduction of transfer costs).

2.2.3.2 Valuation considerations and assumptions

Information

The Company's management were asked to confirm that the information provided relating to the assets and tenants is complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by our contacts within the Company that could impact value has been made available to us and that this information is up to date in all significant aspects. This includes running costs, works undertaken, financial elements, including turnover rents, lettings signed or in the process of being signed, and rental incentives, in addition to the list of let and vacant units.

Leasable areas

We have not measured the assets and have therefore based our valuations on the leasable areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are not and should not be affected by ground pollution and that the state of the land will not affect their current or future usage.

Urban planning

We have not studied building or other permits and have assumed that the assets have been built and are occupied and used in conformity with all necessary authorisations and that any outstanding legal issues have been resolved. We have assumed that the layout of assets conforms to legal requirements and town planning regulations, notably concerning the structural materials, fire safety, and health and safety. We have also assumed that any extensions in progress are being undertaken in line with urban planning rules and that all necessary permissions have been obtained.

Title deeds and tenancy schedules

We have relied upon the tenancy schedules, summaries of complimentary revenues, non recoverable charges, capital projects and the business plans which were provided to us. We have assumed, with the exception of what may be mentioned in our individual asset reports, that the assets are not inhibited by any restriction which could impede a sale and that they are free from any restrictions or charges. We have not read the title deeds and have taken as correct the rental, occupational and all other pertinent information that has been provided to us by the Company.

Condition of the assets

We have taken note of the general condition of each asset during our inspection. Our instruction does not include a building or structural survey but we have indicated in our report, where applicable, any maintenance problems that were immediately apparent during our inspection. The assets have been valued based on the information provided by the Company according to which no deleterious material was used in their construction.

Taxation

Our valuations were undertaken without taking into account potential sales or legal fees or taxes which would come into effect in the case of a transfer. The rental and market values produced are net of VAT.

Explanatory note on market conditions: Covid-19

The outbreak of Novel Coronavirus (COVID-19), which was declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

2.2.3.3 Confidentiality and disclosure

Finally, and in accordance with our standard practice we confirm that our valuation reports are confidential and are addressed solely to the Company Carmila. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the valuation firms accept no liability for the valuations carried out by the other firms.

Jean-Philippe Carmarans
Head of Valuation & Advisory France
Cushman & Wakefield Valuation France

Tony Loughran
Partner
C&W Valuation & Advisory, Spain

Simone Scardocchia
Head of Corporate Valuation
BNP Paribas Real Estate, Italy

Jean-François Drouets
Chairman
Catella Valuation

Ana Flores
Head of Valuation
Catella Property Spain SA

2.3 Financial performance

2.3.1 Selected financial information

(in millions of euros)	2021	2020
Gross rental income	351.8	349.7
Net rental income	289.9	270.8
EBITDA (excluding fair value adjustments)(1)	238.8	220.2
Fair value adjustments on investment properties	(4.7)	(334.3)
Operating income (loss)	234.2	(122.9)
Net financial expense	(73.7)	(75.6)
Net income (loss) attributable to owners	192.1	(198.8)
Earnings per share(3)	1.33	(1.42)
EPRA earnings(2)	172.0	161.0
EPRA earnings per share(3)	1.19	1.15
Recurring earnings(4)	178.2	167.6
Recurring earnings per share(3)	1.24	1.20

(1) For a definition of EBITDA (excluding fair value adjustments) and the reconciliation with the closest IFRS indicator, see the "Comments on the year's activity" section.
(2) For a definition of "EPRA earnings", see the "EPRA performance indicators" section.
(3) Average number of shares: 144,250,286 at 31 December 2021 and 140,198,573 at 31 December 2020.
(4) Recurring earnings are equal to EPRA earnings excluding certain non-recurring items. See the "EPRA performance indicators" section.

SELECTED FINANCIAL INFORMATION FROM THE STATEMENT OF FINANCIAL POSITION

(in millions of euros)	31 Dec. 2021	31 Dec. 2020
Investment properties (appraisal value excluding transfer taxes)	5,846.3	5,717.0
Cash and cash equivalents	238.3	311.5
Financial liabilities (current and non-current)	2,613.0	2,646.7
Equity attributable to owners	3,374.9	3,262.7

FINANCIAL INFORMATION RELATED TO KEY INDICATORS AND RATIOS

(in millions of euros)	31 Dec. 2021	31 Dec. 2020
Net debt	2,322.9	2,274.7
Loan-to-value (LTV) ratio ITT[(1)]	37.4%	37.0%
Interest coverage ratio (ICR)[(2)]	*3.9x*	*3.9x*
EPRA Net Tangible Assets	3,575.8	3,525.2
EPRA Net Tangible Assets (EPRA NTA) per share[(3)]	24.54	24.72
Appraisal value (including transfer taxes and work in progress)	6,214.4	6,147.9

(1) LTV including transfer taxes and work in progress: ratio between the value of the investment properties (including transfer taxes and work in progress) and net debt.
(2) Ratio of EBITDA (excluding fair value adjustments) to cost of net debt.
(3) Year end, fully diluted, on the basis of 145,736,217 shares at 31 December 2021 and 142,616,879 shares at 31 December 2020.

2.3.2 Financial statements

2.3.2.1 Consolidated statement of comprehensive income

(in thousands of euros)	2021	2020
Gross rental income	**351,790**	**349,744**
Charges rebilled to tenants	77,691	79,621
Total Income from rental activity	**429,481**	**429,365**
Real estate expenses	(23,916)	(23,510)
Rental charges	(71,069)	(71,177)
Property expenses (landlord)	(44,582)	(63,841)
Net rental income	**289,914**	**270,837**
Overhead expenses	(51,767)	(50,949)
Income from property management, administration and other activities	*11,505*	*10,267*
Other income	*3,322*	*255*
Payroll expenses	*(28,629)*	*(25,939)*
Other external expenses	*(37,965)*	*(35,532)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(1,245)	(2,849)
Other operating income and expenses	(1,125)	(2,379)
Gains and losses on disposals of investment properties and equity investments	38	(65)
Change in fair value adjustments	(4,674)	(334,267)
Share in net income (loss) of equity-accounted companies	3,068	(3,189)
Operating income (loss)	**234,209**	**(122,861)**
Financial income	1,039	917
Financial expenses	(62,985)	(57,634)
Cost of net debt	**(61,946)**	**(56,717)**
Other financial income and expenses	(11,761)	(18,903)
Net financial expense	**(73,707)**	**(75,620)**
Income (loss) before taxes	**160,502**	**(198,481)**
Income tax	31,834	196
CONSOLIDATED NET INCOME (LOSS)	**192,336**	**(198,286)**
Attributable to owners of the parent	**192,121**	**(198,755)**
Non-controlling interests	**215**	**469**
Average number of shares comprising Carmila's share capital	144,250,286	140,198,573
Earnings per share (attributable to owners) (in euros)	1.33	(1.42)
Diluted average number of shares comprising Carmila's share capital	144,518,878	140,603,774
Diluted earnings per share (attributable to owners) (in euros)	**1.33**	**(1.41)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2021	2020
Consolidated net income (loss)	**192,336**	**(198,286)**
Items that will be reclassified subsequently to net income	**20,346**	**(6,016)**
Effective portion of cash flow hedges	20,346	(5,944)
Fair value of other financial assets	-	(72)
Related income tax	-	-
Items that will not be reclassified subsequently to net income	**77**	**30**
Actuarial gains and losses on defined benefit plans	77	30
Related income tax	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**212,759**	**(204,272)**

2.3.2.2 Consolidated statement of financial position

ASSETS

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Intangible assets	4,664	4,581
Property, plant and equipment	3,369	3,205
Investment properties carried at fair value	5,846,327	5,717,046
Investment properties carried at cost	33,213	100,010
Investments in equity-accounted companies	50,309	48,061
Other non-current assets	19,539	12,623
Deferred tax assets	9,855	11,113
Non-current assets	**5,967,275**	**5,896,638**
Trade receivables	75,489	148,532
Other current assets	90,439	86,415
Cash and cash equivalents	238,268	320,263
Current assets	**404,196**	**555,210**
TOTAL ASSETS	**6,371,471**	**6,451,848**

EQUITY AND LIABILITIES

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Share capital	875,389	855,701
Additional paid-in capital	1,985,987	2,039,818
Treasury shares	(2,351)	(2,541)
Other comprehensive income	(28,469)	(48,892)
Consolidated retained earnings	352,177	617,412
Consolidated net income (loss)	192,121	(198,755)
Equity attributable to owners	**3,374,853**	**3,262,744**
Non-controlling interests	5,776	5,727
TOTAL EQUITY	**3,380,629**	**3,268,471**
Non-current provisions	6,867	6,732
Non-current financial liabilities	2,384,895	2,401,478
Lease deposits and guarantees	79,812	76,267
Non-current tax and deferred tax liabilities	139,445	177,316
Other non-current liabilities	2	14
Non-current liabilities	**2,611,021**	**2,661,807**
Current financial liabilities	228,071	245,250
Bank facilities	82	8,934
Current provisions	1,039	1,758
Trade payables	20,984	27,773
Payables to suppliers of non-current assets	22,067	86,231
Accrued tax and payroll liabilities	54,179	56,004
Other current liabilities	53,399	95,620
Current liabilities	**379,821**	**521,570**
TOTAL EQUITY AND LIABILITIES	**6,371,471**	**6,451,848**

2.3.2.3 Consolidated statement of cash flows

(in thousands of euros)	2021	2020
Consolidated net income (loss)	**192,336**	**(198,286)**
Elimination of income from equity-accounted companies	(3,068)	3,189
Elimination of depreciation, amortisation and provisions	493	2,946
Elimination of fair value adjustments	9,722	337,468
Elimination of capital gains and losses on disposals	(33)	66
Other non-cash income and expenses	8,599	6,921
Cash flow from operations after cost of net debt and tax	**208,049**	**152,305**
Elimination of tax expense (income)	(31,834)	(196)
Elimination of cost of net debt	61,946	56,792
Cash flow from operations before cost of net debt and tax	**238,161**	**208,901**
Change in operating working capital	18,293	(34,582)
Change in lease deposits and guarantees	3,572	(1,530)
Income tax paid	(2,168)	(4,722)
Net cash from operating activities	**257,858**	**168,067**
Change in payables on non-current assets	(85,321)	4,977
Acquisitions of investment properties	(64,584)	(79,959)
Acquisitions of other non-current assets	(454)	(950)
Change in loans and advances	(4,129)	(183)
Disposal of investment properties and other non-current assets	8,216	307
Dividends received	818	1,212
Net cash used in investing activities	**(145,454)**	**(74,597)**
Share capital increase	(8,000)	-
Net sale (purchase) of treasury shares	190	135
Issuance of bonds	300,000	400,000
Increase in bank loans	-	568,000
Loan repayments	(324,833)	(798,005)
Marketable securities included in other current receivables	106	(103)
Interest paid	(59,596)	(53,991)
Interest received	1,039	917
Dividends and share premiums distributed to shareholders	(94,453)	(73,126)
Net cash from (used in) financing activities	**(185,547)**	**43,828**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(73,143)**	**137,298**
Cash and cash equivalents at start of period	311,329	174,031
Cash and cash equivalents at end of period	238,186	311,329

2.3.2.4 Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Other comprehensive income	Consolidated retained earnings	Consolidated net income (loss)	Equity attributable to owners	Non-controlling interests	Total equity
BALANCE AT 31 DECEMBER 2019	**820,091**	**2,129,169**	**(2,676)**	**(42,906)**	**528,543**	**108,213**	**3,540,434**	**5,612**	**3,546,046**
Corporate actions	836	(836)					-		-
Share-based payments	34,774	28,862					63,636		63,636
Treasury share transactions			135		394		529		529
Dividend paid		(117,377)			(19,032)		(136,409)	(354)	(136,763)
Appropriation of 2019 net income					108,213	(108,213)	-		-
Net income (loss) for the year						**(198,755)**	**(198,755)**	**469**	**(198,286)**
Other comprehensive income reclassified to income				3,958			3,958		3,958
Change in fair value of other financial assets				(72)			(72)		(72)
Change in fair value of hedging instruments				(9,902)			(9,902)		(9,902)
Actuarial gains and losses on retirement benefits				30			30		30
Other comprehensive income				**(5,986)**			**(5,986)**	**-**	**(5,986)**
Other changes					(706)		(706)		(706)
BALANCE AT 31 DECEMBER 2020	**855,701**	**2,039,818**	**(2,541)**	**(48,892)**	**617,412**	**(198,755)**	**3,262,744**	**5,728**	**3,268,471**
Corporate actions	(3,272)	(4,728)					(8,000)		(8,000)
Share-based payments	22,960	25,065					48,025		48,025
Treasury share transactions			190		1,254		1,444		1,444
Dividend paid		(74,169)			(68,077)		(142,246)	(232)	(142,478)
Appropriation of 2020 net income					(198,755)	198,755	-		-
Net income (loss) for the year						**192,121**	**192,121**	**215**	**192,336**
Other comprehensive income reclassified to income				3,996			3,996		3,996
Change in fair value of other financial assets							-		-
Change in fair value of hedging instruments				16,350			16,350		16,350
Actuarial gains and losses on retirement benefits				77			77		77
Other comprehensive income				**20,423**			**20,423**	**-**	**20,423**
Other changes					343		343	65	408
BALANCE AT 31 DECEMBER 2021	**875,389**	**1,985,986**	**(2,351)**	**(28,469)**	**352,177**	**192,121**	**3,374,854**	**5,776**	**3,380,629**

2.3.3 Comments on the year's activity

2.3.3.1 Specific negotiations related to the health crisis

Owing to the health crisis, Carmila held negotiations with its tenants with a view to supporting them during this period and helping to safeguard their cash resources through rent relief. In some cases, relief was granted with no concessions agreed by the tenant in return, directly in accordance with government measures. Other relief was granted with or without concessions by the tenant on a case-by-case basis, so as to find a situation beneficial to all parties concerned. Concessions granted by tenants in exchange for rent relief consisted mainly of extensions of the non-cancellable term of the lease or commitments to sign new leases.

2.3.3.2 Accounting treatment applied to the impacts of the health crisis

The specific impacts of the health crisis are set out in the table below:

(in thousands of euros)	France	Spain	Italy	Group
2021 impact of the health crisis on income	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**
• of which rent waivers without concessions	(14,321)	(2,950)	(2,152)	(19,423)
• of which variable rent adjustments	766	0	0	766
• of which allowances for trade receivables	(14,414)	(3,821)	865	(17,370)
• of which IFRS 16 impact	(1,695)	(3,800)	0	(5,495)
• of which reversals of tax credits (Covid 2)	(463)	0	0	(463)
Income statement impact beyond 2021 (IFRS 16 impact: Covid 1 rent waivers to be deferred)	**(5,092)**	**(5,320)**	**0**	**(10,412)**
2021 impact of the health crisis on income	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**
Impact (in months of rents)	1.2	1.2	0.6	1.2

(in thousands of euros)	France	Spain	Italy	Group
Impact on gross rental income	**(929)**	**(3,800)**	**0**	**(4,729)**
Variable rent adjustments	766	0	0	766
IFRS 16 impact (deferral of rent-free periods granted)	(1,695)	(3,800)	0	(5,495)
Impact on net rental income	**(29,198)**	**(6,771)**	**(1,287)**	**(37,256)**
Rent waivers without concessions	(14,321)	(2,950)	(2,152)	(19,423)
Allowances on receivables	(14,414)	(3,821)	865	(17,370)
Tax credit	(463)	0	0	(463)
Total impact in 2021	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**

For rent relief granted in exchange for an extension of the non-cancellable term of the lease (rent relief related to the first wave of the pandemic in first-half 2020), the impact of the relief is recognised over the non-cancellable term of the lease in question, in accordance with IFRS 16. The impact is presented as a deduction from gross rental income, representing €5.5 million in 2021. A total of €10.4 million will be recognised over the next few periods.

The impact of other relief not resulting in an extension of the non-cancellable term of the lease is written off in full against net rental income in the 2021 financial statements, for an amount of €19.4 million.

The tax credit in France in connection with rent waivers granted during the second wave of Covid-19 was revised downwards by €0.5 million following the outcome of Covid-related rent negotiations.

Disputed receivables were written down in full in respect of 2021.

2.3.3.3 Gross rental income and net rental income

GROSS RENTAL INCOME

	2021		2020
		Year-on-year change	
(in thousands of euros)	Gross rental income	Reported	Gross rental income
France	241,992	1.2%	239,011
Spain	86,931	-2.0%	88,724
Italy	22,867	3.9%	22,009
TOTAL	**351,790**	**0.6%**	**349,744**

Gross rental income increased by 0.6% in 2021. The increase reflects the IFRS 16 impact of rent-free periods granted in connection with the health crisis in exchange for an extension in lease terms (€5.5 million positive impact in 2021). Rent-free periods granted with no concession by the tenant are recognised against net rental income.

NET RENTAL INCOME

(in thousands of euros)	2021				2020
		Year-on-year change			
	Net rental income	Like for like (specific Covid-19 impact)	Like for like (excl. specific Covid-19 impact)	Reported	Net rental income
France	196,302	3.5%	0.9%	5.9%	185,340
Spain	73,771	4.5%	0.9%	3.9%	71,000
Italy	19,841	35.5%	1.6%	36.9%	14,497
TOTAL	**289,914**	**5.5%**	**1.0%**	**7.0%**	**270,837**

The projected collection rate for 2021, taking into account the impact of rent-free periods and provisions recognised in the year is 90%. This figure factors in all estimated Covid impacts for 2021.

Net rental income totalled €290 million, up €19.1 million, or 7.0%, in 2021. This increase is attributable to the factors described below.

Changes linked to specific Covid-related impacts represented a €14.8 million (or 5.5%) increase in net rental income. Covid-19 impacts recognised in 2021 had a negative €42.0 million effect (negative €56.7 million effect in 2020), as detailed in the "Accounting treatment applied to the impacts of the health crisis" section.

Organic growth as adjusted for these specific impacts came out at 1.0%.

The share of indexation included in growth at constant scope is a positive 0.2%.

Growth generated by lease extensions represented €4.1 million, or 1.5%. The Nice Lingostière extension delivered in May 2021 is included in this line.

Zero growth was generated by acquisitions in 2020, since no acquisitions were carried out in either 2020 or 2021.

The sale of Nanteuil-les-Meaux, completed on 23 June 2021, had a negative €0.2 million (negative 0.1%) impact.

Other impacts reduced net rental income by €2.2 million, or 0.8%. These other impacts notably include the impact of strategic vacancies which allow for restructuring and extension projects.

2.3.3.4 Rent collection

	2021				
	First-quarter 2021	Second-quarter 2021	Third-quarter 2021	Fourth-quarter 2021	Full-year 2021
Gross collection rate (total amount invoiced)	78.0%	78.0%	92.4%	92.9%	85.4%
Rent waiver/Covid-19 provision rate	16.7%	18.8%	5.5%	5.5%	11.6%
Outstanding to be collected	5.2%	3.2%	2.1%	1.6%	3.0%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Out of the total charges and rents invoiced in 2021, 85.4% had been collected at 31 December 2021, 11.6% had been waived or charged to credit loss allowances (and written off in the consolidated financial statements) and 3.0% are pending collection.

The 2020 collection rates at 31 December 2021 were as follows:

For the third and fourth quarters of 2021, Carmila's gross collection rate in France was 93.5%.

Its overall net collection rate for 2021 was 97.0%. The net collection rate is calculated by deducting any rents waived from the rents invoiced.

	31 Dec. 2020 as of end-2021				
	First-quarter 2020	Second-quarter 2020	Third-quarter 2020	Fourth-quarter 2020	Full-year 2020
Gross collection rate (total amount invoiced)	97.2%	71.4%	93.1%	75.9%	84.7%
Rent waiver/Covid-19 provision rate	2.8%	27.2%	6.8%	23.9%	14.8%
Outstanding to be collected	0.0%	1.4%	0.2%	0.2%	0.4%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

2.3.3.5 Overhead expenses

(in thousands of euros)	2021	2020
Income from property management, administration and other activities	11,505	10,267
Other income	3,322	255
Payroll expenses	(28,629)	(25,939)
Other external expenses	(37,965)	(35,532)
OVERHEAD EXPENSES	**(51,767)**	**(50,949)**

Overhead expenses edged up 1.6% (€0.8 million) in 2021 compared to the previous financial year.

In 2021, the allocation of income and expenses within each of the overhead expense accounts was changed; in 2020, "Other income" had been primarily included within "Other external expenses".

Income from property management, administration and other activities, and other income from services

This item totalled €14.8 million in 2021, an increase of €4.3 million (40.1%) compared to 2020.

It can be broken down as follows:

- €5.9 million in rebilled shopping centre management costs (versus €5.3 million in 2020) due to higher levels of re-invoicing by Spanish centre managers further to their inclusion in Carmila's workforce.
- fees, including technical and marketing fees for €5.6 million, up €0.6 million on 2020.

"Other income" mainly consists of:

- marketing services aimed at developing and increasing the attractiveness of the centres (retailers' associations) for €2.9 million. In 2020, this item was presented as a deduction from other external expenses for €1.7 million.

Payroll expenses

Payroll expenses amounted to €28.6 million in 2021. The €2.7 million increase in this item is mainly due to a €1.0 million scope effect following the induction of shopping centre directors into the Spanish workforce (offset by amounts rebilled), €1.0 million in non-recurring income in 2020 related to services provided, and a €0.7 million increase in payroll expenses.

Other external expenses

Other external expenses totalled €38.0 million in 2021, up 6.8% (€2.4 million). This increase is mainly due to a presentation effect (see opposite): in 2020, this item also included other income for €1.7 million.

The main components of other external expenses are marketing expenses, as well as appraisal fees for the asset portfolio, legal and tax fees, auditors' fees, financial communication and advertising fees, travel expenses and other mission-related expenses.

2.3.3.6 EBITDA

(in thousands of euros)	2021	2020
Operating income (loss)	**234,209**	**(122,862)**
Elimination of change in fair value	4,674	334,267
Elimination of attributable change in fair value of equity-accounted companies	(1,354)	5,419
Elimination of capital (gains)/losses	829	2,382
Depreciation and amortisation of property and equipment and intangible assets	400	999
Adjustments for non-recurring items		
EBITDA	**238,758**	**220,205**

EBITDA came in at €238.8 million in 2021, a year-on-year increase of 8.4% (€18.6 million), primarily attributable to the impacts of the health crisis, which were however less significant than in 2020.

2.3.3.7 Net financial expense

FINANCIAL EXPENSE

(in thousands of euros)	2021	2020
Financial income	1,039	917
Financial expenses	(62,985)	(57,634)
Cost of net debt	**(61,946)**	**(56,717)**
Other financial income and expenses	(11,761)	(18,903)
NET FINANCIAL EXPENSE	**(73,707)**	**(75,620)**

Carmila reported net financial expense of €73.7 million for 2021.

Cost of net debt

The cost of net debt in 2021 rose by €5.2 million year on year to €61.9 million. The cost of net debt mainly reflects the €3.4 million increase in interest expense and €1.9 million in non-recurring and non-cash expenses.

The change in interest expense can be analysed as follows:

- a rise in interest expense on bonds (new €300 million bond issue in November 2020 and a further €300 million issue in March 2021) represented €6.9 million;
- partly offset by a €3.5 million fall in interest expenses on bank borrowings (repayment of €200 million in November 2020 and of €300 million in April 2021).

The change in non-recurring and non-cash expenses can be analysed as follows:

- a €1.3 million increase in amortisation of issuance premiums and costs, mainly due to the reversal of the portion of issuance costs still to be amortised following the cancellation of the 2017 revolving credit facility. The costs of the new revolving credit facility have been capitalised and are being amortised over the life of each tranche of the facility;
- interest income from capitalised financial expenses decreased by €0.6 million due to the delivery of the Nice Lingostière extension.

Other financial income and expenses

Net other financial expenses fell €7.1 million during the year, attributable to the factors described below:

- a decrease in financial expenses due to the €5.4 million premium paid following the bond redemption in November 2020;
- a decrease in the adjustment related to the application of IFRS 9: in 2020, following the repayment of the term loan in November of that year, the adjustment had a net negative impact of €10.5 million for the year. In 2021, the €300 million repayment led to the reversal of the proportion of the repayment on the bank loan, representing a net negative impact of €7.9 million for the year;
- these factors were partially offset by an increase in the credit risk on financial instruments, increasing financial expenses by €1.1 million.

2.3.4 EPRA performance indicators

2.3.4.1 EPRA summary table

	2021	2020
EPRA earnings *(in millions of euros)*	172.0	161.0
EPRA earnings per share *(in euros)*	1.19	1.15
EPRA NRV *(in thousands of euros)*	3,829,620	3,777,204
EPRA NRV per share *(in euros)*	26.28	26.48
EPRA NTA *(in thousands of euros)*	3,575,785	3,525,224
EPRA NTA per share *(in euros)*	24.54	24.72
EPRA NDV *(in thousands of euros)*	3,350,159	3,183,311
EPRA NDV per share *(in euros)*	22.99	22.32
EPRA NIY (shopping centres)	5.8%	5.7%
EPRA Topped-up NIY (shopping centres)	5.9%	5.8%
EPRA Vacancy Rate	5.5%	6.8%
EPRA Cost Ratios (including direct vacancy costs)	23.9%	24.8%
EPRA Cost Ratios (excluding direct vacancy costs)	20.7%	21.5%

2.3.4.2 EPRA earnings and recurring earnings

EPRA EARNINGS

(in thousands of euros)	2021	2020
Net income attributable to owners	**192,121**	**(198,756)**
Adjustments to calculate EPRA earnings	**(20,287)**	**359,742**
(i) Changes in value of investment properties, development properties held for investment and other interests	4,688	334,267
(ii) Gains and losses on disposals of investment properties	(38)	65
(iii) Gains and losses on disposals of trading properties	-	-
(iv) Tax on disposal gains and losses	-	-
(v) Negative goodwill/goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	13,030	19,164
(vii) Acquisition costs for share deal acquisitions	-	-
(viii) Deferred tax in respect of EPRA adjustments	(36,613)	785
(ix) Adjustments (i) to (iv) in respect of joint ventures (unless already included under proportional consolidation)	(1,140)	5,419
(x) Non-controlling interests in respect of the above	-	41
(xi) Other adjustments	-	-
EPRA EARNINGS	**172,049**	**160,986**
Year-on-year change	*6.9%*	
Average number of shares	144,250,286	140,198,573
EPRA EARNINGS PER SHARE	**1.19**	**1.15**
Year-on-year change	*3.9%*	
Fully diluted number of shares	144,518,878	140,603,774
DILUTED EPRA EARNINGS PER SHARE	**1.19**	**1.14**
Other adjustments	**6,121**	**6,623**
Issuance costs(1)	1,731	3,302
Other non-recurring expenses or (income)(2)	4,390	3,321
RECURRING EARNINGS	**178,170**	**167,609**
Year-on-year change	*6.3%*	
RECURRING EARNINGS PER SHARE	**1.24**	**1.20**
Year-on-year change	*3.3%*	
IMPACT OF IFRS 16(3)	**5,495**	**(18,547)**
Recurring earnings excluding IFRS 16 Covid-19 impact	**183,665**	**149,062**
Year-on-year change	*23.2%*	
Recurring earnings per share excluding IFRS 16 Covid-19 impact	**1.27**	**1.06**
Year-on-year change	*19.8%*	

Recurring earnings totalled €178.2 million in 2021, up 6.3% year on year. Earnings per share came are up by 3.3% on 2020, at €1.24. Adjusted for the impact of IFRS 16 on Covid-19 related rent concessions, recurring earnings came out at €183.7 million, or €1.27 per share.

Comments on the other adjustments:

(1) Debt issuance costs relate to the reversal of the proportion of deferred issuance costs still to be amortised following the cancellation of the revolving credit facility.

(2) "Other non-recurring expenses" consist of depreciation and amortisation expenses, movements in provisions for contingencies and charges, the cost of shelving projects and the substitute tax paid in Italy to join the revaluation tax regime.

(3) Under IFRS 16, lessors can defer the recognition of any rent concessions granted during the first wave of the virus (e.g., extensions of the lease term).

2.3.4.3 EPRA Cost Ratio

EPRA COST RATIOS

(in millions of euros)	2021	2020
(i) Operating costs	80.7	73.9
Overhead expenses	73.4	63.9
Property expenses	7.3	10.1
(ii) Net service charge costs/fees	9.6	10.1
(iii) Management fees less profit element	(11.5)	(10.3)
(iv) Other operating recharges intended to cover overhead expenses	(3.3)	(0.3)
(v) Share of costs of equity-accounted companies	0.9	1.4
(vi) Impairment of investment properties and provisions included in property expenses	0.0	0.0
(vii) Ground rent costs	0.0	0.0
(viii) Service charge costs recovered through rents	(1.8)	(1.8)
EPRA costs (including direct vacancy costs)	**74.6**	**73.1**
Direct vacancy costs	10.1	9.6
EPRA costs (excluding direct vacancy costs) (A)	**64.5**	**63.5**
(ix) Gross rental income less ground rents	309.8	293.0
(x) Less: service fee and service charge costs components of gross rental income	(1.8)	(1.8)
(xi) Plus: share of Joint Ventures (gross rental income less ground rents)	3.9	3.8
Gross rental income (B)	312.0	295.1
EPRA COST RATIOS (INCLUDING DIRECT VACANCY COSTS)	**23.9%**	**24.8%**
EPRA COST RATIOS (EXCLUDING DIRECT VACANCY COSTS)	**20.7%**	**21.5%**
Covid-19 impacts (C)	42.0	56.7
EPRA COST RATIOS EXCLUDING COVID-19 IMPACT AND DIRECT VACANCY COSTS (A/(B+C))	**18.2%**	**18.1%**

The EPRA Cost Ratio was 80 basis points higher in 2021 compared to 2020 (excluding vacancy costs). However, as restated for the impacts of Covid-19, the ratio comes out at 18.2%, stable versus 2020.

Overhead expenses include other external expenses and payroll expenses.

Property expenses include losses on irrecoverable receivables along with maintenance and repair costs that are not rebilled to tenants. Property expenses do not include the impacts of the health crisis (rent-free periods and impairment recognised against trade receivables).

The impacts of the health crisis were deducted from gross rental income.

2.3.4.4 EPRA NRV, EPRA NTA and EPRA NDV

EPRA NAV INDICATORS AT 31 DECEMBER 2021

(in thousands of euros)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to owners	**3,374,853**	**3,374,853**	**3,374,853**
Include/Exclude:*			
(i) Hybrid instruments			
Diluted NAV	**3,374,853**	**3,374,853**	**3,374,853**
Include:*			
(ii) Revaluation of investment property (if IAS 40 cost option is used)			
(iii) Revaluation of IPUC[1] (if IAS 40 cost option is used)			
(iv) Revaluation of other non-current investments[2]			
(v) Revaluation of tenant leases held as finance leases[3]			
(vi) Revaluation of trading properties[4]			
Diluted NAV at fair value	**3,374,853**	**3,374,853**	**3,374,853**
Exclude:*			
(vii) Deferred tax in relation to fair value gains of investment property[5]	139,445	139,445	
(viii) Fair value of financial instruments	12,624	12,624	
(ix) Goodwill as a result of deferred tax			
(x) Goodwill as per the IFRS balance sheet			
(xi) Intangible assets as per the IFRS balance sheet		(4,492)	
Include:*			
(xii) Fair value of fixed-rate debt			-24,695
(xiii) Revaluation of intangible assets at fair value			
(xiv) Transfer taxes	302,698	53,355	
NAV	**3,829,620**	**3,575,785**	**3,350,159**
Fully diluted number of shares	145,736,217	145,736,217	145,736,217
NAV PER SHARE	**26.28**	**24.54**	**22.99**

(1) Difference between development property held on the statement of financial position at cost and fair value of that development property.
(2) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line item.
(3) Difference between finance lease receivables held on the statement of financial position at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the statement of financial position at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA.
** "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.*
*** "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.*

EPRA NAV INDICATORS AT 31 DECEMBER 2020

(in thousands of euros)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to owners	**3,262,743**	**3,262,743**	**3,262,743**
*Include/Exclude**:*			
Hybrid instruments	-	-	-
Diluted NAV	**3,262,743**	**3,262,743**	**3,262,743**
Include:*	-	-	-
(i) Revaluation of investment property (if IAS 40 cost option is used)	-	-	-
(ii) Revaluation of IPUC(1) (if IAS 40 cost option is used)	-	-	-
(iii) Revaluation of other non-current investments(2)	-	-	-
(iv) Revaluation of tenant leases held as finance leases(3)	-	-	-
(v) Revaluation of trading properties(4)	-	-	-
Diluted NAV at fair value	**3,262,743**	**3,262,743**	**3,262,743**
Exclude:*			-
(vi) Deferred tax in relation to fair value gains of investment property(5)	177,316	177,316	
(vii) Fair value of financial instruments	34,158	34,158	
(viii) Goodwill as a result of deferred tax	-	-	-
(ix) Goodwill as per the IFRS balance sheet		-	-
(x) Intangible assets as per the IFRS balance sheet		(4,470)	
Include:*			
(xi) Fair value of fixed-rate debt			(79,432)
(xii) Revaluation of intangible assets at fair value	-		
(xiii) Transfer taxes	302,987	55,304	
NAV	**3,777,204**	**3,525,224**	**3,183,311**
Fully diluted number of shares	142,616,879	142,616,879	142,616,879
NAV PER SHARE	**26.48**	**24.72**	**22.32**

(1) Difference between development property held on the statement of financial position at cost and fair value of that development property.
(2) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line item.
(3) Difference between finance lease receivables held on the statement of financial position at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the statement of financial position at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA.
** "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.*
*** "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.*

2.3.4.5 EPRA vacancy rate

	France	Spain	Italy	Total
Rental value of vacant space *(in millions of euros)*	13.8	7.8	0.5	22.2
Rental value of property portfolio *(in millions of euros)*	272.2	109.4	24.0	405.6
EPRA VACANCY RATE	**5.1%**	**7.2%**	**3.2%**	**5.5%**
Impact of strategic vacancies	1.5%	2.7%	1.9%	1.8%
FINANCIAL VACANCY RATE	**3.6%**	**4.5%**	**1.3%**	**3.7%**

The EPRA vacancy rate at 31 December 2021 was 5.5%, a decrease of 130 basis points compared to end-2020.

The EPRA vacancy rate is the ratio between the market rent for vacant areas and the total market rent (for vacant and rented areas). The rental value used to calculate the EPRA vacancy rate is the gross rental value as defined by expert appraisal.

Strategic vacancies correspond to the vacant premises required to implement renovation, extension, or restructuring projects in shopping centres.

2.3.4.6 EPRA net initial yields: EPRA NIY and EPRA topped-up NIY

EPRA NIY AND EPRA TOPPED-UP NIY

(in millions of euros)	2021	2020
Total property portfolio valuation (excluding transfer taxes)	**5,911.7**	**5,844.9**
(-) Assets under development and other	33.2	100.0
Completed property portfolio valuation (excluding transfer taxes)	**5,878.4**	**5,744.9**
Transfer taxes	302.7	303.0
Completed property portfolio valuation (including transfer taxes) (A)	**6,181.1**	**6,047.9**
Annualised net rents (B)	**355.8**	**345.2**
Impact of rent-free periods	7.7	8.2
Topped-up net annualised rents (C)	**363.5**	**353.4**
EPRA NET INITIAL YIELD (B)/(A)	**5.8%**	**5.7%**
EPRA TOPPED-UP NET INITIAL YIELD (C)/(A)	**5.9%**	**5.8%**

The weighted average residual duration of these rental arrangements is 1.5 years.

2.3.4.7 EPRA investments

Capital expenditure on investment properties broken down by country is disclosed separately for acquisitions, developments and extensions, or capital expenditure on the portfolio on a like-for-like basis.

(in thousands of euros)	France		Spain		Italy		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Acquisitions	26,277	6,696	0	0	673	0	26,950	6,696
Developments and extensions	-	-	-	-	-	-	-	-
Like-for-like capital expenditure	29,772	63,127	6,661	9,444	1,201	692	37,634	73,263
Extensions	4,320	34,708	0	0	399	10	4,719	34,718
Restructuring	10,300	11,388	0	0	0	0	10,300	11,388
Lease incentives	8,065	7,250	2,708	2,642	0	44	10,773	9,936
Renovations	3,781	3,200	3,074	6,772	291	228	7,146	10,200
Maintenance capex	3,306	6,581	879	30	511	410	4,696	7,021
TOTAL CAPITAL EXPENDITURE	**56,049**	**69,823**	**6,661**	**9,444**	**1,874**	**692**	**64,584**	**79,959**

The "Acquisitions" caption chiefly relates to the acquisition of units in Labège (€8.6 million), Bourges (€2.5 million), Calais (€3.3 million), Angers Saint Serge (€2.0 million), Rennes Cesson (€1.5 million), and Port de Bouc (€1.1 million).

"Extensions" essentially relates to the payment of contingent consideration in respect of the extension to the Athis-Mons arcade (€1.1 million) and to Nice Lingostière (€0.4 million). Capital expenditure relating to the Nice Lingostière extension had already been recognised in the 2020 consolidated financial statements within "Work in progress", depending on the effective progress of the works. Accordingly, the €74.7 million disbursement (including taxes) in May 2021 had no impact on the total capital expenditure amount.

"Restructuring" mainly concerns the Cité Europe shopping centre in Calais-Coquelles (€5.1 million).

Like-for-like capital expenditure chiefly relates to assets being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. The most important projects included in this item are Collégien (€0.7 million), Bourg-en-Bresse (€0.4 million) and Puget (€0.2 million). Like-for-like capital expenditure also includes rent relief granted to tenants.

2.4 Financing policy

2.4.1 Financial resources

Bonds

As part of its EMTN programme (Euro Medium Term Note Programme) approved by the AMF in July 2019, Carmila issued a new €300 million bond with an eight-year tenor and a 1.625% coupon on 25 March 2021.

Carmila's outstanding bond debt of €1,891 million at 31 December 2020 thus rose to €2,191 million at 31 December 2021.

Bank borrowings

Carmila has a syndicated loan agreement with a pool of banks, maturing in June 2024. On 9 April 2021, Carmila repaid €300 million of this loan, bringing the amount outstanding to €170 million at 30 June 2021 from €470 million at end-2020.

Loan-to-value ratio (LTV)

The LTV ratio including transfer taxes was 37.4% at 31 December 2021, up 40 basis points, mainly due to the acquisition of the Nice Lingostière extension. Carmila is committed to maintaining a strong statement of financial position and aims to maintain a level of debt compatible with its BBB (stable outlook) financial rating from S&P.

Carmila is targeting an LTV ratio of 40% (including transfer taxes) over 2022-2026.

Compliance with covenants at 31 December 2021

The loan agreement, along with the syndicated credit facilities, are subject to compliance with covenants as assessed at the end of each interim and annual reporting period. At 31 December 2021, Carmila complied with its covenants.

Bonds are not subject to compliance with these covenants.

Interest coverage ratio (ICR)

The ratio of EBITDA to the net cost of debt must be greater than 2.0 at the test dates.

Loan-to-value ratio (LTV)

The ratio of consolidated net debt to the fair value of investment assets including transfer taxes must not exceed 0.55 on the same dates; the ratio may be exceeded for one half-year period.

Debt maturity

The average maturity of Carmila's debt was 4.3 years at 31 December 2021.

INTEREST COVERAGE RATIO

(in thousands of euros)		2021 12 months	2020 12 months
EBITDA	**(A)**	**238,758**	**220,205**
Cost of net debt	**(B)**	**61,946**	**56,717**
INTEREST COVERAGE RATIO	**(A)/(B)**	**3.9**	**3.9**

LOAN-TO-VALUE RATIO

(in thousands of euros)		31 Dec. 2021	31 Dec. 2020
Net financial liabilities	**(A)**	**2,322,914**	**2,274,560**
Gross financial liabilities		2,561,100	2,586,039
Net cash		(238,186)	(311,329)
Short-term investments		-	(150)
Property portfolio including transfer taxes	**(B)**	**6,214,371**	**6,147,872**
Loan-to-value ratio including transfer taxes	**(A)/(B)**	**37.4%**	**37.0%**
Property portfolio excluding transfer taxes	(C)	5,910,743	5,844,892
Loan-to-value ratio excluding transfer taxes	(A)/(C)	39.3%	38.9%

NET DEBT/EBITDA

(in thousands of euros)		31 Dec. 2021	31 Dec. 2020
Net debt	**(A)**	**2,322,914**	**2,274,560**
EBITDA	**(B)**	**238,758**	**220,205**
NET DEBT/EBITDA	**(A)/(B)**	**9.7**	**10.3**

Gross financial liabilities do not include issuance costs for bonds and other debt, current and non-current derivative instruments with a negative fair value, bank facilities and IFRS 16 financial liabilities.

Other financing

Carmila strives to diversify its sources of financing and their maturities, and has set up a short term commercial paper programme (NEU CP) for a maximum amount of €600 million, registered with Banque de France on 29 June 2017 and updated every year. At 31 December 2021, the outstanding amount under this programme was €200 million, with maturities mainly ranging from 1 to 5 months.

Revolving credit facility

Carmila strengthened its financial structure by signing two new revolving credit facilities on 21 October for €270 million and €540 million, in two (three- and five-year) tranches, including two one-year extension options. The facility replaces an existing €759 million revolving credit facility due in 2024. These new facilities include two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025.

No drawdowns were made by Carmila on the revolving credit facility in 2021.

Breakdown of financial liabilities by maturity and average interest rate

(in thousands of euros)	Gross amount	Starting date	Lease maturity
Bond issue I- Notional amount €600m, coupon 2.375%	547,900	18/09/2015	18/09/2023
Bond issue II- Notional amount €588m, coupon 2.375%	543,200	24/03/2016	16/09/2024
Bond issue III- Notional amount €350m, coupon 2.125%	350,000	07/03/2018	07/03/2028
Bond issue IV- Notional amount €300m, coupon 1.625%	300,000	30/11/2020	30/05/2027
Bond issue V- Notional amount €300m, coupon 1.625%	300,000	01/04/2021	01/04/2029
Private placement I- Notional amount €50m, coupon 1.89%	50,000	06/11/2019	06/11/2031
Private placement II- Notional amount €100m, coupon 3.000%	100,000	26/06/2020	26/06/2029
Loan agreement	170,000	16/06/2017	16/06/2024
Commercial paper	200,000	31/12/2016	21/10/2028
TOTAL	**2,561,100**		

At 31 December 2021, Carmila's debt had an average maturity of 4.3 years and an average interest rate of 2.0%, taking account of hedging instruments (excluding amortisation of issuance premiums, cancellation expenses for capitalised financial instruments and non-utilisation fees for undrawn credit lines). The average interest rate excluding hedging instruments was 1.8%.

2.4.2 Hedging instruments

As the parent company, Carmila provides for almost all of the Group's financing and manages interest-rate risk centrally.

Carmila's policy is to hedge its floating-rate debt in order to secure future cash flows by fixing or capping the interest rate paid. This policy involves setting up derivatives instruments as interest rate swaps and options which are eligible for hedge accounting.

To optimise its hedging, on 18 October 2021, Carmila cancelled one fixed-rate borrower swap maturing in 2027 with a notional amount of €75 million, and paid a balancing cash payment of €3.7 million. At the same date, Carmila also cancelled €50 million of a fixed-rate borrower swap maturing in 2027 via a balancing payment of €2.5 million.

At 31 December 2021, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- four fixed-rate borrower swaps at three-month Euribor for a notional amount of €260 million, with the swap covering the longest term expiring in December 2030;
- one fixed-rate floor at three-month Euribor for a notional amount of €25 million, covering a period up to 2022;
- one cap for a nominal amount of €100 million maturing in 2023.

These hedging instruments, still effective, were recognised as cash flow hedges. The consequence of this cash flow hedge accounting is that derivative instruments are recognised on the closing statement of financial position at their market value, with any changes in fair value attributable to the effective portion of the hedge recorded in shareholders' equity (OCI) and the ineffective portion taken to income.

The fixed-rate position represents 96% of gross debt at 31 December 2021 (including swaps and a swaption collar) and 100% including caps.

2.4.3 Cash

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Cash	238,268	180,228
Cash equivalents	-	140,035
Cash and cash equivalents	**238,268**	**320,263**
Bank facilities	(82)	(8,934)
NET CASH	**238,186**	**311,329**

2.4.4 Rating

On 14 September 2021, S&P confirmed Carmila's BBB rating and revised its outlook from negative to stable.

2.4.5 Dividend policy

In addition to legal requirements, Carmila's dividend policy takes into account various factors including its earnings, financial position and the implementation of its objectives.

Where appropriate, dividends will be paid by Carmila out of distributable income and also out of issuance premiums.

Note that in order to benefit from the SIIC (real estate investment trust) regime in France, Carmila is required to distribute a significant portion of its profits to its shareholders (within the limit of the its income as a SIIC and its distributable income):

- 95% of profits from gross rental income earned by Carmila;
- 70% of capital gains; and
- 100% of dividends from subsidiaries subject to the SIIC regime.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020. Shareholders were offered the option to receive the dividend payment in shares. In all, 33.8% of shareholders took up this offer.

Carmila will recommend an annual payout of at least €1 per share, payable in cash, for dividends paid between 2022 and 2026, with a target payout ratio of 75% of recurring earnings.

The Annual General Meeting to be held on 12 May 2022 will be asked to vote on a dividend of €1 per share in respect of 2021.

2.4.6 Equity and share ownership

(in thousands of euros)	Number of shares	Share capital	Issuance premium	Merger premium
At 1 January 2021	142,616,879	855,701	548,637	1,491,181
Dividend – GM of 18/05/2021	3,826,562	22,959	25,064	(74,168)
Share option	(85,623)	(514)	514	
New shares issued	144,647	868	(868)	
Cancellation of treasury shares	(604,297)	(3,626)	(4,374)	
AT 31 DECEMBER 2021	**145,898,168**	**875,389**	**568,973**	**1,417,013**

At 31 December 2021, the share capital was made up of 145,898,168 shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital comprises 145,614,215 A Shares, 139,306 C Shares, and 144,647 D Shares.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020, representing a total payout of €142,389 thousand. A total of €74,245 thousand was charged against the merger premium and €68,144 thousand against consolidated retained earnings available for distribution. Shareholders were offered the option to receive the dividend payment in shares. In all, in June 2021, €94,238 thousand was paid in cash and €48,023 thousand was paid in shares, resulting in the issuance of 3,826,562 A Shares with a value of €12.55 per share.

In accordance with the terms and conditions of the plan dated 16 May 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 16 May 2021, leading to the conversion of 112,611 B Shares into 31,850 A Shares issued on 9 June 2021. This capital decrease was charged against issuance premiums for €485 thousand.

The D Shares were issued on 29 June 2021 as part of Carmila's preference share allocation plan for key employees and corporate officers. This capital increase was charged against issuance premiums for €868 thousand.

In accordance with the terms and conditions of the plan dated 24 October 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 24 October 2021, leading to the conversion of 7,537 B Shares into 2,675 A Shares issued on 16 November 2021. This capital decrease was charged against issuance premiums for €29 thousand.

Carmila bought back 604,297 shares under the share buyback programme launched on 6 September 2021. These shares were cancelled on 1 December 2021, further to the decision of the Board of Directors on 28 July 2021 to reduce the Company's capital.

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

2.5 Appendix

Detailed presentation of Carmila's operating asset base at 31 December 2021

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
FRANCE						
Aix en Provence	1971	2014	2015	40	8,422	24.1%
Amiens	1973	2014	2014	19	4,442	22.9%
Angers - Saint Serge	1969	2014	2015	28	7,172	34.4%
Angoulins	1973	2014	2015	34	4,833	23.0%
Annecy Brogny	1968	2014	2015	22	4,900	22.9%
Antibes	1973	2014	2014	33	4,829	22.1%
Athis Mons	1971	2014	2014	53	10,241	35.6%
Auch	1976	2014	2014	13	928	16.3%
Auchy-les-Mines	1993	2014	2015	27	2,750	26.2%
Auterive	2011	2014	-	19	6,674	36.8%
BAB 2 - Anglet	1967	2014	2017	129	27,057	58.9%
Barentin	1973	2016	-	17	7,424	19.0%
Bassens (Chambéry)	1969	2014	2014	20	2,757	18.2%
Bay 1	2004	2014	-	27	8,881	38.5%
Bay 2	2003	2014	-	105	20,870	53.7%
Bayeux Besneville	1974	2014	2014	9	597	11.0%
Beaucaire	1989	2014	2015	30	6,841	21.4%
Beaurains 2	2011	2014	-	10	4,372	52.7%
Beauvais	1969	2014	2016	16	3,986	59.8%
Berck-sur-Mer	1995	2014	2014	30	11,225	58.1%
Besançon - Chalezeule	1976	2014	2018	30	16,959	41.3%
Bourg-en-Bresse	1977	2014	2019	24	6,215	22.2%
Bourges	1969	2014	2016	51	8,984	36.7%
Brest Hyper	1969	2014	2014	48	17,683	67.7%
Calais – Beau Marais	1973	2014	2015	21	5,128	36.5%
Calais-Coquelles	1995	2014	2019	155	52,538	77.1%
Chambourcy	1973	2014	2015	73	21,333	43.5%
Champs-sur-Marne	1967	2014	2014	17	1,791	16.5%
Charleville-Mézières	1985	2014	2014	24	2,465	17.7%
Château Thierry	1972	2014	2015	9	660	8.8%
Châteauneuf-les-Martigues	1973	2014	2016	21	10,752	35.8%
Châteauroux	1969	2014	2014	24	6,976	20.3%
Cholet	1970	2014	2014	32	5,372	26.0%
Condé-sur-L'Escaut	1987	2014	2015	6	529	9.6%
Conde-sur-Sarthe	1972	2014	2014	32	9,425	34.3%
Crèches sur Saone	1981	2014	2015	59	19,096	48.9%
Denain	1979	2014	2016	7	617	6.0%
Dinan Quevert	1970	2016	-	19	3,269	36.4%
Douai Flers	1983	2014	2015	48	7,388	19.8%
Draguignan	1992	2014	2017	24	4,794	39.1%
Échirolles (Grenoble)	1969	2014	2014	32	4,768	20.1%
Épernay	1970	2014	2016	10	1,064	45.8%
Épinal	1983	2014	2016	23	20,227	37.5%
Epinay-sur-Orge	1992	2015	-	1	54	-
Étampes	1983	2014	2015	3	875	7.7%
Évreux	1974	2014	2017	78	37,811	70.4%

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
Feurs	1981	2014	2019	6	1,027	12.1%
Flers Saint-Georges-des-Groseillers	1998	2016	-	14	1,890	31.1%
Flins-sur-Seine	1973	2014	2014	21	6,593	12.6%
Fourmies	1985	2014	2016	14	1,905	16.1%
Francheville	1989	2014	2015	21	2,865	16.5%
Gennevilliers	1976	2014	2015	18	2,431	14.1%
Goussainville	1989	2014	2015	24	3,349	38.1%
Gruchet	1974	2014	2015	29	11,837	38.2%
Gueret	1987	2014	2019	14	3,418	18.4%
Hazebrouck	1983	2014	2014	13	1,304	8.4%
Herouville St Clair	1976	2014	2016	50	14,273	66.4%
La Chapelle St Luc	2012	2014	2015	45	21,799	56.5%
La Ciotat	1998	2014	2015	12	588	5.1%
La Roche Sur Yon	1973	2014	2015	14	1,377	17.6%
Laon	1990	2014	2015	39	8,045	62.3%
Laval	1986	2014	-	43	7,707	27.7%
Le Mans	1968	2014	2014	21	1,923	11.9%
L'Haÿ-les-Roses	1981	2014	2016	14	577	2.8%
Libourne	1973	2014	2014	25	4,304	16.6%
Liévin	1973	2014	2014	22	3,111	7.4%
Limay	1998	2014	-	9	327	4.8%
Lorient	1981	2014	2014	33	12,424	66.4%
Mably	1972	2014	2017	29	31,085	33.6%
Meylan (Grenoble)	1972	2014	2014	12	1,682	9.8%
Mondeville	1995	2014	-	5	2,401	6.5%
Mondeville HE	2013	2014	-	30	29,835	50.2%
Mont-Saint-Aignan	1987	2015	-	33	3,061	13.8%
Montélimar	1985	2014	2016	6	7,689	34.0%
Montereau	1970	2014	2015	11	876	10.7%
Montesson	1970	2014	-	64	13,263	34.1%
Montluçon	1988	2015	2016	36	3,600	71.3%
Nantes Beaujoire	1972	2014	2015	35	4,669	19.8%
Nantes St Herblain	1968	2014	2015	13	1,479	12.7%
Nanteuil-lès-Meaux (GM)	2014	2015	-	8	811	12.4%
Nevers-Marzy	1969	2014	2016	58	20,124	40.9%
Nice Lingostière	1978	2014	2014	101	21,128	43.1%
Nîmes Sud	1969	2014	2015	18	2,962	14.4%
Orange	1988	2014	2014	36	5,262	28.4%
Orléans Place d'Arc	1988	2014	2018	67	13,575	57.4%
Ormesson	1972	2015	2018	118	29,418	30.2%
Paimpol	1964	2014	2016	14	2,656	18.6%
Pau Lescar	1973	2014	2017	76	11,984	38.2%
Perpignan Claira	1983	2014	2015	78	21,040	60.5%
Port de Bouc	1973	2014	2015	25	7,093	34.1%
Pré-Saint-Gervais	1979	2016	-	19	1,620	26.5%
Puget-sur-Argens	1991	2015	2017	51	4,639	31.9%
Quetigny	2014	2014	-	5	7,365	100.0%
Quimper-Le Kerdrezec	1978	2014	2016	40	8,586	27.6%
Rambouillet	2017	2017	-	4	4,848	100.0%
Reims-Cernay	1981	2014	2016	21	3,532	24.6%
Rennes Cesson	1981	2014	2014	78	13,500	48.1%
Rethel	1994	2016	2017	18	3,397	35.7%
Saint-Jean-de-Luz	1982	2014	2017	17	2,598	31.9%
Saint-Lô	1973	2016	2016	11	1,089	18.9%

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
Saint-Martin-au-Laërt	1991	2014	2016	9	858	15.0%
Salaise sur Sanne	1991	2014	2014	44	7,210	42.1%
Sallanches	1973	2014	2016	12	1,917	16.0%
Sannois	1992	2015	2015	33	4,099	27.4%
Saran-Orléans	1971	2014	2017	91	38,731	64.2%
Sartrouville	1977	2014	2014	39	6,738	29.0%
Segny	1980	2014	2017	16	2,196	30.0%
Sens Maillot	1970	2014	2016	9	1,848	20.4%
Sens Voulx	1972	2014	2016	9	599	5.7%
St André Les Vergers	1975	2014	2016	9	1,097	4.8%
St Brieuc - Langueux	1969	2014	2017	52	14,328	41.9%
St Egrève	1986	2014	2014	35	9,391	18.8%
St Jean de Védas	1986	2014	2014	30	3,122	18.9%
Stains	1972	2014	-	24	2,894	17.4%
Tarnos	1989	2014	2014	27	4,108	29.2%
Thionville	1971	2016	-	157	30,248	46.7%
Tinqueux	1969	2014	2015	27	5,946	22.4%
Toulouse Labège	1983	2014	-	129	24,117	56.5%
Toulouse Purpan	1970	2014	2015	49	16,286	31.0%
Tournefeuille	1995	2014	-	20	5,702	39.4%
Trans-en-Provence	1976	2014	2016	28	3,923	32.1%
Uzès	1989	2014	2015	17	1,292	15.3%
Vannes - Le Fourchêne	1969	2014	2014	69	9,001	37.7%
Vaulx-en-Velin	1988	2014	2016	44	6,606	36.7%
Venette	1974	2014	2015	40	6,787	25.0%
Venissieux	1966	2014	2016	25	4,477	12.3%
Villejuif	1988	2014	2015	33	4,118	9.8%
Vitrolles	1971	2018	-	85	24,405	42.9%
SPAIN						
Albacete – Los Llanos	1989	2014	-	24	7,178	25.5%
Alcala de Henares	2007	2014	2016	20	1,667	17.3%
Alcobendas	1981	2014	2016	43	3,515	23.7%
Alfafar	1976	2014	2015	32	7,175	29.7%
Aljarafe	1998	2018	-	42	12,011	35.8%
Almería	1987	2014	2014	21	1,024	10.5%
Alzira	1991	2014	2017	18	7,712	18.3%
Antequera	2004	2018	2017	56	13,436	65.7%
Azabache	1977	2014	2016	31	5,839	24.4%
Cabrera de Mar	1979	2014	2014	26	14,240	17.9%
Caceres	1998	2014	2015	13	1,559	11.7%
Cartagena	1998	2014	2016	15	1,119	14.5%
Castellón	1985	2014	2015	21	2,681	10.3%
Ciudad de la Imagen	1995	2014	2016	22	2,008	14.2%
Córdoba - Zahira	1977	2014	2019	15	957	7.4%
Dos Hermanas (Seville)	1993	2014	2017	17	1,411	13.4%
El Alisal	2004	2014	2016	35	15,120	52.5%
El Mirador	1997	2016	-	42	9,845	50.4%
El Paseo	1977	2018	-	53	10,454	53.5%
El Pinar	1981	2014	2014	22	4,341	14.0%
Elche	1983	2014	2015	18	10,134	18.9%
Fan Mallorca	2016	2016	2016	104	38,141	75.0%
Finestrat - Benidorm	1989	2014	2016	23	2,223	17.0%
Gandía	1994	2014	2015	19	2,040	13.3%
Gran Via de Hortaleza	1992	2018	-	66	6,150	27.2%

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
Granada	1999	2014	2015	26	2,714	16.5%
Huelva	2013	2014	2013	93	34,048	78.3%
Jerez de la Frontera – Norte	1997	2014	2017	42	6,899	37.5%
Jerez de la Frontera, Cádiz – Sur	1989	2014	2016	37	6,813	22.1%
La Granadilla	1990	2014	2014	14	1,029	7.0%
La Línea de la Concepción, Cádiz – Gran Sur	1997	2014	2016	40	9,079	38.0%
La Sierra	1994	2018	-	70	17,611	26.0%
Leon	1990	2014	2016	17	2,473	20.3%
Lérida	1986	2014	2014	11	512	8.8%
Los Angeles	1992	2014	2016	39	6,733	30.6%
Los Barrios Algeciras	1980	2014	2015	25	2,353	17.2%
Lucena	2002	2014	2016	13	1,394	13.8%
Lugo	1993	2014	2017	18	2,022	11.1%
Málaga – Alameda II	1987	2014	2016	31	8,839	37.6%
Málaga – Los Patios	1975	2014	2018	39	6,624	27.5%
Manresa	1991	2018	-	28	2,301	13.1%
Merida	1992	2014	2017	18	2,601	12.9%
Montigala	1991	2016	2018	55	10,664	43.7%
Mostoles	1992	2014	2016	22	3,291	20.1%
Murcia - Atalayas	1993	2016	-	44	11,296	45.1%
Murcia - Zaraiche	1985	2014	2014	23	2,566	14.1%
Oiartzun	1979	2014	2014	12	721	5.5%
Orense	1995	2014	2016	17	4,131	17.1%
Palma	1977	2014	2014	20	579	5.9%
Paterna	1979	2014	2016	18	1,679	9.2%
Peñacastillo	1992	2014	2014	50	10,196	42.0%
Petrer	1991	2014	2016	27	4,329	23.4%
Plasencia	1998	2014	-	12	1,299	13.1%
Pontevedra	1995	2014	2014	16	1,681	13.0%
Reus	1991	2014	2014	23	2,933	21.2%
Rivas	1997	2014	2016	22	2,158	21.5%
Sagunto	1989	2014	-	10	968	11.9%
Salamanca	1989	2014	2016	13	795	7.6%
San Juan	1977	2018	-	31	7,266	24.5%
San Juan de Aznalfarache, Seville	1985	2014	2015	34	4,982	25.0%
San Sebastián de los Reyes	2004	2014	2016	19	2,336	12.7%
Sestao	1994	2014	2016	17	1,317	48.8%
Sevilla - Macarena	1993	2014	2016	23	1,882	14.6%
Sevilla - Montequinto	1999	2014	2016	14	9,995	21.6%
Sevilla – San Pablo	1979	2014	2014	29	3,273	20.4%
Talavera – Los Alfares	2005	2014	2016	56	20,482	75.0%
Tarragona	1975	2014	2017	16	3,420	11.4%
Tarrasa	1978	2018	-	34	7,502	31.6%
Torrelavega	1996	2014	2016	14	2,147	18.2%
Torrevieja	1994	2014	2014	17	1,700	11.5%
Valencia - Campanar	1988	2014	2016	29	3,088	16.7%
Valladolid	1981	2014	2017	22	3,615	17.5%
Valladolid II	1995	2014	2017	17	3,551	21.5%
Valverde Badajoz	1996	2014	2015	25	3,287	23.6%
Villanueva	1995	2014	2016	9	687	10.2%
Villareal de los Infantes	1995	2014	2016	13	939	10.3%

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*	Carmila Group share per site *(%)*
Zaragoza	1989	2014	2015	19	4,301	23.4%
As Cancelas wholly-owned (50% of assets held, based on the equity method)	2012	2014	2012	119	25,131	-
ITALY						
Assago	1988	2015	2019	2	2,380	5.0%
Burolo	1996	2014	2016	10	946	10.9%
Gran Giussano	1997	2014	2016	49	9,338	47.4%
Limbiate	2006	2015	-	1	1,923	4.4%
Massa	1995	2014	2016	44	8,231	45.9%
Nichelino	2017	2017	2017	65	29,194	62.2%
Paderno Dugnano	1975	2014	2022	73	15,322	47.6%
Thiene	1992	2014	2015	39	5,973	44.7%
Turin	1989	2014	2014	12	1,186	12.7%
Vercelli	1987	2014	2016	20	3,125	24.1%

3. Organisation and risk management

3.1 Organisation of the Group and relationship with the Carrefour group

3.1.1 Description of the organisation

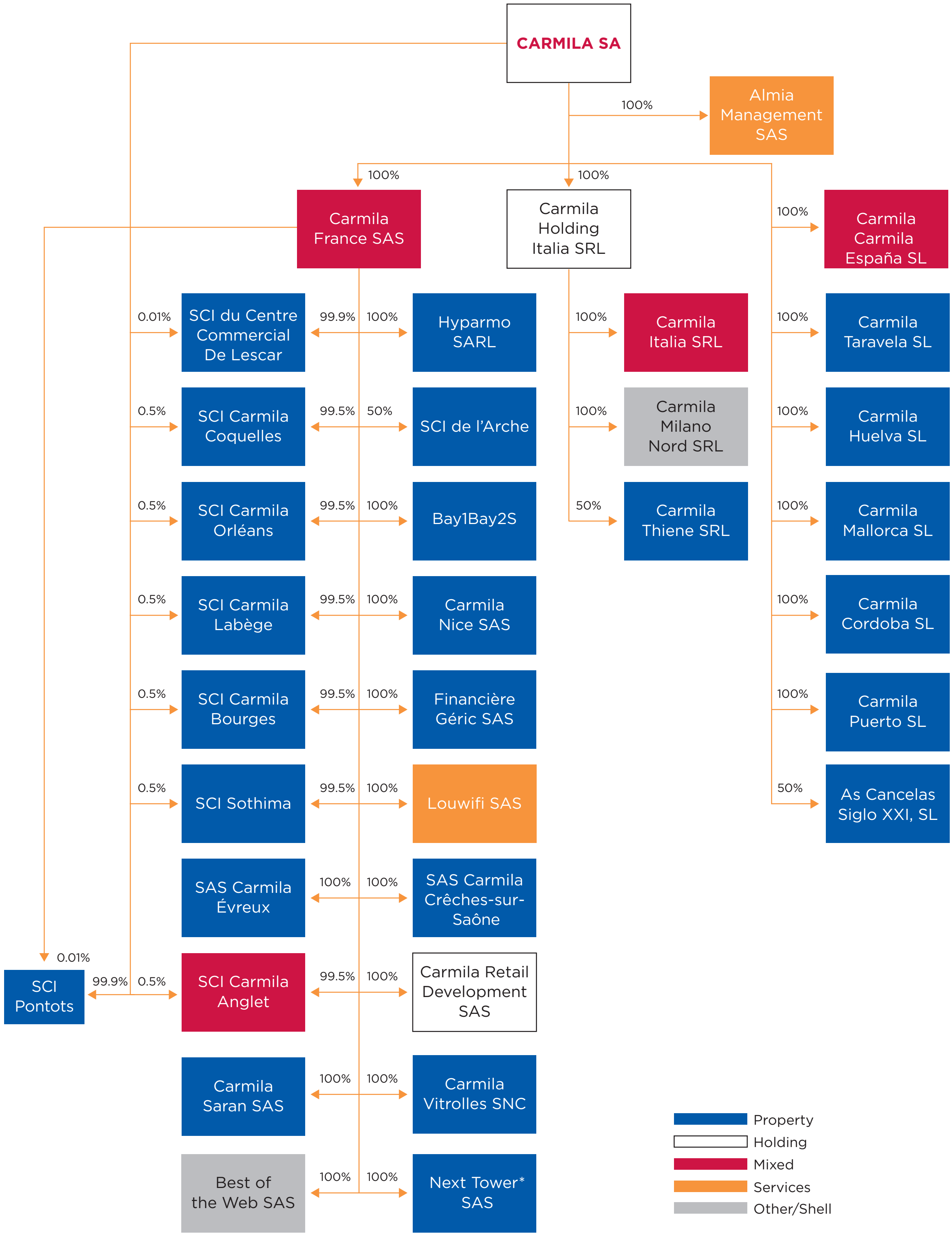
Carmila is a real estate company which benefits from the SIIC tax regime for French real estate investment trusts (REITs) and is dedicated to managing and enhancing the value of shopping centres and retail parks adjoining Carrefour group stores. It owns 214 shopping centres and retail parks in France, Spain and Italy, worth a total of €6.2 billion.

Carmila boasts all of the key areas of expertise needed to develop and enhance the value of its portfolio and its activities going forward: asset management, leasing and Specialty Leasing, omnichannel marketing, shopping centre management, communications, business development and investment (renovations, restructuring, extensions and acquisitions). The Group's operational organisation is designed to be simple and efficient, and it therefore uses the services of Carrefour group entities under the terms of several agreements (see section 3.1.4 "Operational organisation" of this document).

Carmila also draws on its strategic partnership with the Carrefour group and the numerous resulting synergies in order to implement its strategy to enhance value and develop its property portfolio (see section 3.1.5.2 "A partnership generating valuable synergies for Carmila" of this document). Since its creation, the Carmila Group has carried out a major shopping centre renovation and extension program in coordination with Carrefour Property, a subsidiary of the Carrefour group that owns the hypermarket and supermarket buildings in France, Spain and Italy, as well as, in most cases, their car parks. In April 2014, Carmila SAS entered into a renovation and development agreement with the Carrefour group for an initial term of ten years (the "Renovation and Development Agreement"). In June 2017, the term of the agreement was extended until 31 December 2027. The purpose of this agreement is to create a partnership between the two groups in order to pursue a strategy aimed at increasing the attractiveness and optimising the value of the retail sites, which are co-owned by the Carrefour group (hypermarkets and car parks) and the Carmila Group (shopping centres) in France, Spain and Italy. Under the Renovation and Development Agreement, the Carmila Group and the Carrefour group are partners on all developments on jointly-owned land lots (see section 3.1.5.3 "Principal agreements with Carrefour group entities" of this document for more details on the Renovation and Development Agreement).

3.1.2 Carmila Group organisation chart

The organisation chart below shows the legal organisation of the consolidated entities of the Carmila Group at 31 December 2021(1).



(1) The percentages held as shown in this chart correspond to the percentage of share capital and voting rights held.
** Lou5G was renamed Next Tower pursuant to a decision of 6 September 2021.*

3.1.3 Subsidiaries and equity interests

Principal subsidiaries

The Group's principal direct or indirect subsidiaries are as follows:

- **Carmila France SAS** is a simplified joint-stock company with a sole shareholder (société par actions simplifiée à associé unique) incorporated under French law, with share capital of €707,907,052. Its registered office is located at 58, avenue Émile-Zola in Boulogne-Billancourt (92100), France, and it is registered with the Nanterre Trade and Companies Register under number 799 828 173.
- **Carmila España SLU** is a company incorporated under Spanish law, with share capital of €186,315,000. Its registered office is located at Avenida Matapiñonera s/n, 4a planta, Edificio Ábside, 28703 San Sebastián de los Reyes, Madrid, Spain, and it is registered with the *Registro Mercantil de Madrid*, page M-563.021, book 31279, page 11.
- **Carmila Italia S.r.l** is a private limited company incorporated under Italian law, with share capital of €11,200,000. Its registered office is located at Via Caldera, 21, 20153, Milan, Italy, and it is registered with the Registro delle Imprese di Milano Monza Brianza Lodi under number 08603710966 and with the R.E.A. under number MI-2036489.

Equity interests

At 31 December 2021, the Group directly or indirectly holds the following equity interests:

- a 20% interest in Square Maker France;
- a 15% interest in Aug'Car;
- a 40% interest in La Barbe de Papa Holding;
- a 30.06% interest in HDDB Holding;
- a 30% interest in Loicar;
- a 24% interest in Team Beauty (together with Centros Ideal);
- a 49% interest in Pharmalley;
- a 43.92% interest in Dentalley;
- a 50% interest in Healthcare Experts Institute;
- 40% of the share capital and voting rights of Sunshine Dental Star SL (joint venture with Clinica Dental Start BCN, SLP);
- a 37% interest in VRC Holding.

At 31 December 2021, amounts invested in these equity interests and in the related current accounts totaled €11.3 million.

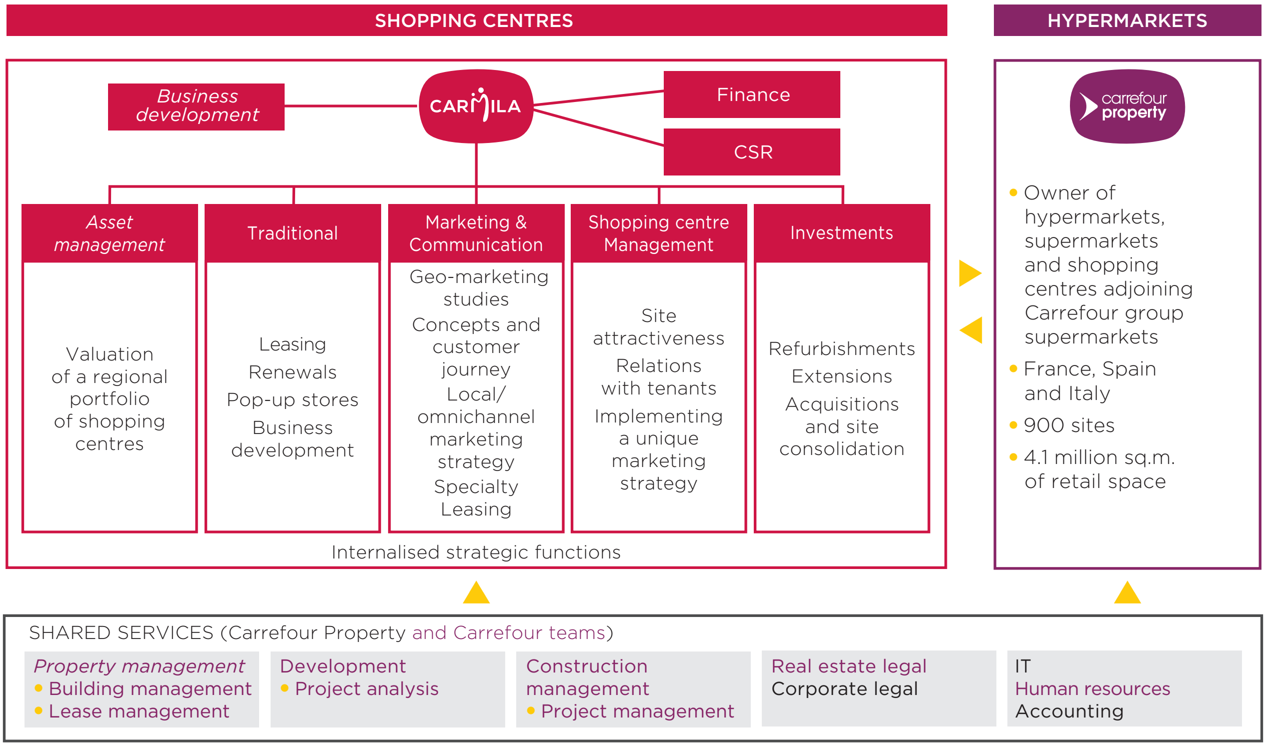
Information on equity interests

Information on the companies in which Carmila holds an interest which is likely to have a significant impact on the assessment of its portfolio, its financial position or its results, is provided in section 6.1 "Consolidated financial statements for the year ended 31 December 2021" of this document.

3.1.4 Operational organisation

Carmila boasts all of the key areas of expertise needed to develop and enhance the value of its portfolio and its activities going forward: asset management, leasing and Specialty Leasing, cross-channel marketing, shopping centre management, communications and investment (renovations, restructurings, extensions and acquisitions). In addition to the Renovation and Development Agreement, the Group uses the services of Carrefour group entities under the terms of several agreements to make its operational organisation simpler and more efficient. The Group works with Carrefour Property entities, the subsidiaries of the Carrefour group that own the hypermarket and supermarket buildings in France, Spain and Italy. These entities act as co-developers and carry out delegated project management and property management roles. Several Carrefour group entities also perform certain administrative and financial services for Carmila.

The chart below summarises the Carmila Group's operational organisation along with the principal existing relationships with Carrefour group entities:



3.1.5 Strategic partnership with the Carrefour group

3.1.5.1 A major competitive advantage

The strategic partnership with the Carrefour group is a major competitive advantage for Carmila. It enables Carmila to develop its strategy based on a privileged relationship with Carrefour, one of the world's leading retailers with long-standing local roots.

The Carmila Group is the owner of shopping centres adjoining Carrefour group hypermarkets in France, Spain and Italy. The Carrefour group is one of the world's leading food retailers, with a multi-format network of 13,000 stores in more than 30 countries.

Carmila owns around 45% of the shopping centres adjoining Carrefour hypermarkets in the three countries.

3.1.5.2 A partnership generating valuable synergies for Carmila

The Carmila Group was created in April 2014 to revitalise the retail ecosystem formed by the hypermarkets and their adjoining shopping centres. Its goal was to revitalise the sites through the coordinated renovation, optimisation and extension of the hypermarkets and the shopping centres. The merger between Cardety and Carmila SAS, effective 12 June 2017, marked a further step in the strategy in place since 2014 to create a single player dedicated to enhancing the value of the real estate assets adjoining Carrefour hypermarkets in France, Spain and Italy. Following this transaction, the merged entity was renamed Carmila and listed on compartment A of Euronext Paris.

In implementing its strategy, the Group benefits from its strategic partnership with the Carrefour group. The shared vision of the two groups embodied by their partnership is a major competitive advantage for Carmila, which enables it to benefit from significant synergies that also benefit its retailer tenants and end customers:

- the aim of both groups to form a coherent commercial ecosystem at each site makes it possible to accelerate the revitalisation and expansion of the shopping centres to cement their local leadership;
- the implementation of coordinated marketing activities between the Carrefour group and the Carmila Group will promote the development of cross-channel marketing solutions at optimised cost in order to increase footfall at the Group's shopping centres;
- coordinated shopping centre renovation and hypermarket modernisation optimises the site's increased attractiveness while limiting the temporary impact of building work;
- Carmila is able to deliver extension projects relatively quickly thanks to coordinated action with the Carrefour group and effective oversight of land reserves, since the Carrefour group generally owns the car parks or land adjoining the Carmila Group's shopping centres;
- Carmila benefits from the Carrefour group's network and knowledge of its catchment areas in order to identify off-market acquisition opportunities that will create value;
- Carmila also benefits from an efficient operational organisation relying on services provided by the Carrefour group under the terms of several agreements. This operating model helps to optimise costs and pool the expertise required to manage and enhance the value of the shopping centres. It aims to align the interests of both groups in projects jointly developed on their sites.

3.1.5.3 Principal agreements with Carrefour group entities

The Carmila Group has entered into several agreements with the Carrefour group which mainly concern (i) the renovation and development of shopping centres, (ii) asset management, and (iii) administrative and financial services.

Carmila Group entities provide leasing services to Carrefour group companies in France, Spain and Italy for shopping arcades that are still owned by the Carrefour group.

At the time of the 12 June 2017 merger, the parties maintained all of the existing contractual relationships between the Carmila Group and the Carrefour group.

The appropriate procedure with respect to related-party agreements was respected wherever applicable. The procedure was therefore applied in connection with the following agreements:

- the Renovation and Development Agreement (see paragraph 1 "Renovation and Development Agreement" below); and
- the service agreement covering support functions (see paragraph 3 "Service agreements" below).

The Renovation and Development Agreement (as defined below), entered into on 16 April 2014 for a term of ten years, was extended in 2017, prolonging its residual post-merger term until 31 December 2027.

These agreements and any changes thereto are subject to specific governance rules set out in the Rules of Procedure of the Company's Board of Directors.

For a summary of fees pertaining to these agreements, see Note 11 to the 2021 consolidated financial statements in section 6.1 of this document.

(1) Renovation and Development Agreement

On 16 April 2014, Carmila SAS and Carrefour entered into the Renovation and Development Agreement, a partnership agreement which aimed to implement a joint strategy in France, Spain and Italy to strengthen the attractiveness and optimise the value of sites co-owned by the Carmila Group (shopping centres) and the Carrefour group (hypermarkets and car parks) and, where applicable, with third parties.

Initially entered into for a term of ten years, this Agreement has been extended until 31 December 2027.

The purpose of the Renovation and Development Agreement is to set out the basis for the implementation and financing of renovation and extension projects at the identified sites. The scope of the Renovation and Development Agreement covers an initial list of the Carmila Group's shopping centres in France, Spain and Italy at the date of the Agreement and, unless the parties agree otherwise, any site newly owned or developed jointly with the Carrefour group.

a) Renovation projects

Renovations of the Carmila Group's shopping centres were to be paid for equally (50/50) by the Carmila Group and the Carrefour group. However, where the share (excluding taxes) to be borne by the Carmila Group is greater than 5% of the appraisal value of the asset to be renovated, Carmila and Carrefour have undertaken to negotiate in good faith to modify the equal split of costs accordingly.

b) Development projects

Pursuant to the Renovation and Development Agreement, the Group and Carrefour may propose shopping centre extension plans that they wish to undertake.

The proposed project is reviewed and decided on by both parties, and then presented separately to the decision-making bodies of the Group (the Board of Directors following a recommendation by the Strategy and Investment Committee) and Carrefour. The financing costs and margin achieved on each development project are split equally (50/50) between the Carmila Group and the Carrefour group.

To carry out a development project, the Group and Carrefour may form a special-purpose vehicle held as a 50/50 joint venture. Upon completion of the development project, the Group has the right to acquire the 50% share held by Carrefour, and Carrefour also has an option to sell its stake to the Company. The two partners can also use other alternative methods, such as a sale by Carrefour to the Group of the land lots held by the Carrefour group with additional price consideration corresponding to 50% of Carrefour's development margin on the development project in question, off-plan sales, or other means.

CPG, a subsidiary of Carrefour Property France, acts as project manager under delegated project management agreements.

c) Other provisions

Reciprocal rights of first refusal

In the event that the Carrefour group intends to sell to a third party not affiliated with the Carrefour group: (i) one or more shopping centres adjoining a hypermarket, (ii) the building of the hypermarket adjoining a shopping centre covered by the Renovation and Development Agreement, (iii) one or more properties for use as retail parks, and/or (iv) a real estate complex including a shopping centre and the building of a hypermarket located in France, Spain or Italy, the Group has a right of first refusal to acquire the asset(s) in question pursuant to the terms of the Renovation and Development Agreement. This right of first refusal does not apply in the event of a sale in connection with the sale of a hypermarket's business.

In accordance with this right of first refusal, Carrefour is required to send the Group an offer to sell the assets to Carmila before seeking a third-party buyer. If the Group declines the offer, Carrefour may sell the assets in question to a third-party buyer on terms at least equal to those of the offer initially made to the Group.

Carrefour also holds a right of first refusal if the Group wishes to sell any subsidiary or one or more properties located in a shopping centre covered by the Renovation and Development Agreement, under terms that are identical to those applicable to the Group's right of first refusal.

Reciprocal priority right

Each of the parties to the Renovation and Development Agreement has undertaken to present to the other party any development project for new sites or any development projects for one or more existing sites located in France, Spain or Italy held by that party or by one of its affiliates but falling outside the scope of the agreement, to the extent that:

(i) the project includes the development of a retail park;

(ii) in the case of a priority right granted by Carrefour to the Group, the development project includes the development or extension of a shopping centre adjoining a hypermarket; and

(iii) in the case of a priority right granted by the Group to Carrefour, the development project provides for the development or extension of a shopping centre adjoining a store that primarily sells food.

Proposals concerning joint development projects are reviewed and implemented pursuant to operational, legal and financial terms to be agreed between the Group and Carrefour. In this regard, the Renovation and Development Agreement provides that (i) the ownership of volumes or co-ownership units for use as hypermarkets, supermarkets and/or medium-sized food stores and as service stations belongs to Carrefour, (ii) the ownership of car parks belongs to Carrefour (in the case of volume division) or the property manager (in the case of co-ownership), and (iii) the ownership of volumes or co-ownership units for use as shopping centres and/or retail parks and/or medium-sized units other than those predominantly selling food belongs to the Group.

In addition, with respect to projects to develop new sites, (i) the development margin on shopping centres, retail parks and medium-sized units (other than those that predominantly sell food) is split equally between the Group and Carrefour, as the financing is split equally between the two companies, and (ii) the development margin on hypermarkets, supermarkets and medium-sized units predominantly selling food is attributed to Carrefour, as the financing is borne by Carrefour.

Other commitments

The Renovation and Development Agreement also includes several rights and obligations which are binding to Carrefour and the Group, such as rights of submission to Carrefour in the case of leases, or in connection with Carmila's leasing or re-leasing, of premises to be used for a hypermarket, supermarket, hard discount grocery store, click-and-drive grocery store or any other business predominantly selling food on the sites where Carrefour is not present. The Group is also prohibited from leasing certain premises inside shopping centres falling within the scope of the Renovation and Development Agreement (i.e., any premises with a gross leasable area of more than 300 sq.m.) for use as a hypermarket, supermarket, hard discount grocery store or click-and-drive grocery store (non-compete clause).

(2) Lease management and asset management agreements

a) Management of leasing activities in France

Pursuant to exclusive agreements with Carmila France and a number of its subsidiaries, Carrefour Property Gestion (CPG) performs lease management and asset management services for all of the real estate assets that Carmila France and its subsidiaries own or occupy under construction leases, long-term leases or financial leases with third parties.

At the beginning of 2021, the services covered by these exclusive agreements led to the conclusion of new agreements for a period of five years.

In connection with each agreement, Carmila France or one of its subsidiaries entrusts Carrefour Property Gestion to perform the following lease management services:

- keeping an updated list of tenants and their rental status;
- monitoring the insurance policies to be taken out by tenants;
- invoicing and collecting rents and related charges; and
- compiling and recording retailer sales.

With respect to asset management, each of the management agreements organises the performance of the following main services:

- assistance with the commercial optimisation of the real estate assets;
- assistance with managing relationships with service providers and partners, and with preparing, negotiating, and carrying out disposals of all or part of the real estate assets;
- inspections of premises and approvals for sales of businesses, lease rights, and subleases; and
- assistance with development projects (in accordance with the terms of the Renovation and Development Agreement).

Carrefour Property Gestion has delegated to Almia Management, a Carmila Group subsidiary, the management of its shopping centres in France for which Carrefour Property Gestion is the designated property management entity or chairman of the relevant urban property association, and shopping centre director. Under this mandate, Almia Management manages the day-to-day relations with the shopping centre's retailers, and in particular, ensures that they comply with applicable regulations, the terms of the lease and the Rules of Procedure. It is also in charge of representing landlords, marketing for the shopping centres and temporary exhibitions in the shopping arcades.

b) Management of leasing activities in Spain

Carmila España has entered into an exclusive lease management and asset management agreement with Carrefour Property España, covering the same services as those provided under the lease management agreements in France, except for certain specific services (such as commercial optimisation of the properties).

At the beginning of 2021, the services covered by this exclusive agreement led to the conclusion of a new agreement for a period of five years.

Certain services, in particular the commercial optimisation of properties, that are not covered by the agreement are performed by Carmila España on its own behalf, as well as on behalf of Carrefour Property España and other Carrefour group entities in Spain, pursuant to exclusive agreements with Carmila España.

c) Management of leasing activities in Italy

Carmila Italia has entered into an exclusive lease management agreement with Carrefour Property Italia covering the same services as those provided for under the lease management agreements in France, as described above, in addition to lease contract management and business lease management.

Since 1 January 2017, asset management and leasing services initially provided by Carrefour Property Italia pursuant to this agreement are now performed by Carmila Italia, and consist of (i) optimisation of the properties' merchandise mix and (ii) renewals of leases and the leasing of vacant premises or premises that become vacant.

Carrefour Property Italia and Carmila Italia have also entered into: (i) an exclusive delegation agreement pursuant to which Carmila Italia markets Carrefour Property Italia's assets, and (ii) a sub-delegation agreement for the management of the Carmila Group's shopping centres located in Italy.

At the beginning of 2021, the services covered by these exclusive agreements led to the conclusion of new agreements for a period of five years under the same conditions.

(3) Service agreements

The Carmila Group has entered into several service agreements with the Carrefour group pursuant to which Carrefour or its affiliates undertake to provide assistance, advice, and services to the Group and its subsidiaries relating to accounting, tax, legal, administrative, and insurance matters.

(4) Leasing and Specialty Leasing agreements in Spain

Carmila España provides leasing services to Carrefour Property España and other Carrefour group entities in Spain under exclusive agreements granted by the latter, for five years. The most recent such agreement was signed in March 2021.

Carmila España also provides Specialty Leasing services to Carrefour Property España and other Carrefour group entities in Spain under separate agreements entered into with each of the Carrefour group entities.

3.1.6 Information systems

The Carrefour group provides IT services to the Carmila Group. It provides Carmila with IT infrastructure (hardware, network, telephones, etc.) as well as applications used across the business (general accounting, human resources).

Carrefour Property's Data Systems Innovation department assists the Carmila Group in developing the strategy for the information systems provided by Carrefour, and also coordinates and supervises that strategy. It also implements IT projects and manages information system resources and budgets. The IT department is involved in the conceptual design and architecture of the Carmila Group's projects and is involved in the preparatory phases of the projects in order to (i) identify a project's inherent risks, in particular risks relating to data protection and (ii) define the security requirements and actions to be integrated into the project.

Finally, Carmila's Digital Marketing and Business Development departments develop specific business applications independently, assisted by Carrefour's Architecture, Technology and Security department ("DATS") where necessary. DATS also carries out awareness-raising activities on information security risks which take the form of e-learning courses and phishing simulations.

3.1.6.1 Operating systems

The Carrefour group's Real Estate department has developed specific IT systems for analytical and reporting purposes, based on the lease and property management application "Altaïx" and the data reporting and display application "Qlikview".

These reporting tools are used to coordinate:

- lease management activities (tenant relations), via different business-specific indicators such as vacancies, unpaid rent, rental status, tracking of movements, lease expiration, mapping of certain indicators with targeted scaled plans, etc.;
- property management activities (management of service charges for common areas), via indicators such as budget tracking, benchmarking of charges and monitoring of supplier invoices.

3.1.6.2 Other applications and information systems

The Carmila Group uses applications and operating systems for financial and accounting management. These systems are based on a reporting and consolidation tool used in preparing consolidated financial statements and assessing the Carmila Group's performance. The applications used by the Carmila Group in this respect include "PeopleSoft", "GED Factures" and "Exabanque".

The other main applications and systems used by the Carmila Group are "Eurecia" and "Hypervision" for human resources management, "Altaïx" and "Global AG" for assistance with various property management tasks, and "My J'Aide" and "AD Environnement" for archiving and communications.

3.1.6.3 IT system service continuity

Significant security measures are in place to protect back-ups and ensure the security of systems, applications and data relating to the Carmila Group and its customers. Utmost attention is paid to system security and personal data protection against risks of destruction, tampering, theft and fraudulent or malicious use.

3.2 Risk factors

Investors should consider all of the information set forth in this document, including the following risk factors. These risks are, as of the date of this document, those which the Group considers would be likely to have a material adverse effect on the Group, its business, financial position, result of operations or outlook, should they occur.

The Group is exposed to different risks that may have a material effect on its business, financial position or result of operations. The risk mapping is presented to and approved by the Audit Committee every year, which verifies the comprehensiveness of risk monitoring and oversees risk management. The risk mapping may be amended based on action plans that are implemented or new risks that are identified.

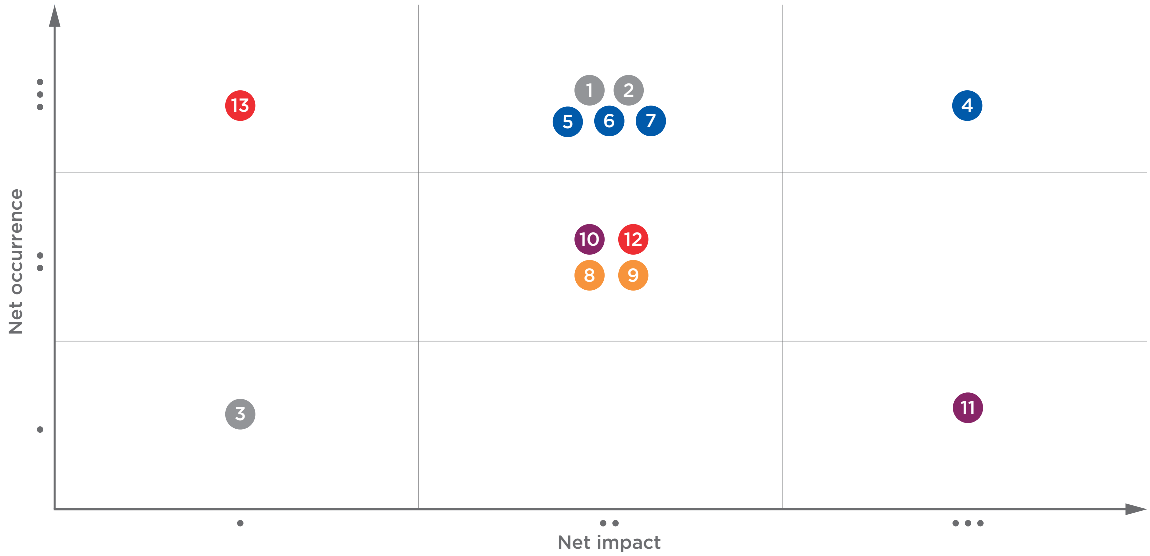
In accordance with Prospectus Regulation (PD3)[1] that was adopted in June 2017 by the European Parliament and entered into force on 21 July 2019, Carmila updated the Group risk matrix in 2021, which incorporates the specific major risks to which it is exposed. These risks, selected according to their "gross" impact and likelihood before taking into account risk management controls and policies, are nevertheless presented in the matrix below based on their estimated "net" impact in terms of both severity and occurrence, i.e., after considering all of the measures taken by the Group to manage them along with any internal and external factors that mitigate the risks.

Carmila has identified 13 specific and major risks which are grouped into five categories. These risks are ranked and presented based on their probability of occurrence and potential impact.

(1) *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.*

Risk matrix

MAPPING OF RISKS BASED ON THEIR PROBABILITY OF OCCURRENCE AND NET IMPACT



CATEGORY 1: RISKS RELATING TO CARMILA'S BUSINESS SECTOR

1. Trends in the commercial real estate market
2. Trends in the social, economic and competitive environment
3. Geopolitical environment

CATEGORY 2: RISKS RELATING TO CARMILA'S BUSINESS

4. Health, well-being, safety and security, including risks associated with a health crisis
5. Relationship with and exposure to retail brands, counterparty risk
6. Property development
7. IT system security and data privacy

CATEGORY 3: LEGAL AND ETHICAL RISKS

8. Regulatory and legal developments
9. Ethical, corruption and fraud risks

CATEGORY 4: FINANCIAL RISKS

10. Cost of and access to financing and financial markets
11. Taxation and REIT, SIIC and SOCIMI regimes

CATEGORY 5: ENVIRONMENTAL, CLIMATE AND SOCIETAL RISKS

12. Environmental, climate and societal issues
13. Talent management and engagement (recruitment, retention and succession)

		Net impact	Net occurrence
CARMILA'S BUSINESS SECTOR	1 – Trends in the commercial real estate market	●●	●●●
	2 – Trends in the socio-economic and competitive environment	●●	●●●
	3 – Geopolitical environment	●	●
CARMILA BUSINESSES	4 - Health (incl. health risk), well-being, safety and security	●●●	●●●
	5 – Relationship with and exposure to retailers; counterparty risk	●●	●●●
	6 – Property development	●●	●●●
	7 – Information systems security and personal data protection	●●	●●●
LEGAL & ETHICS	8 – Regulatory and legal developments	●●	●●
	9 – Ethics-, corruption- and fraud-based risks	●●	●●
FINANCIAL	10 – Cost of and access to financing and financial markets	●●	●●
	11 – Taxation and REIT, SIIC and SOCIMI regimes	●●●	●
ENVIRONMENTAL & SOCIETAL	12 – Environmental, climate and societal issues	●●	●●
	13 – Talent management and engagement (recruitment, retention and succession)	●	●●●

3.2.1 Risks relating to Carmila's business sector

1. Trends in the commercial real estate market ●● ●●●

Risk identification and description

Market conditions impacted over the long term by negative expectations about the future of shopping centres could lead to a decline in the value of the Group's assets, and particularly in their appraisal values, if appraisers take into consideration increases in capitalisation rates and/or in discount rates for projected future cash flows, or if future cash flows are revised downwards. Appraisal values are reassessed by independent appraisers every six months.

A drop in liquidity on the real estate transaction market resulting from a decline in investor interest in the shopping centre asset class could also affect the value of the assets.

As a result, the Company could see a decline in its ability to finance its growth through the disposal of assets, use of new financing or placement of new shares on the market.

Risk control and mitigation

The Group has put together multi-disciplinary teams specialised in managing shopping centres adjoining hypermarkets located in the heart of local communities in France, Spain and Italy.

These teams work on bolstering the attractiveness and value of Carmila's shopping centres by actively managing the retail offering, engaging in marketing, and implementing targeted asset management initiatives.

These initiatives aim to increase the attractiveness of Carmila's shopping centres, draw more visitors and boost retailer sales.

They help to:

- safeguard the yield on its assets by sustaining occupancy rates and the market level of rent;
- be selective in terms of which assets the Group purchases and keeps, in order to maintain a high-quality, attractive portfolio;
- implement asset management initiatives (refurbishments, restructurings, extensions) that help increase the assets' value.

The Group's rental values are resilient due to the terms of the commercial leases signed in the three countries (between 5 and 12 years), which guarantee rental income and provide the Group with good visibility as to future cash flows; this is further supported by legislation that protects the lessor in the event of unpaid rents, particularly in France.

The geographic distribution of Carmila's portfolio exposes it to different investment markets that may behave differently.

2. Trends in the socio-economic and competitive environment	●● ●●●

Risk identification and description

Since the business of retailers in shopping centres and that of Carmila (indirectly) relates to consumption, shopping centres could see a drop in sales in the event of a long-term downward trend in consumption due to:

- insufficiently dynamic population growth;
- a drop in the economy's growth rate and higher unemployment;
- an actual or perceived reduction in households' purchasing power, leading to a subsequent decline in consumption;
- a continuation of the Covid-19 pandemic or a new major health emergency that would seriously disrupt society and the economy.

In addition, the shopping centres' business could also be affected by competitive factors such as:

- new modes of consumption (e-commerce, drive-through, etc.) and trends ("deconsumerism", growth in the second-hand market, etc.);
- a failure to adequately anticipate its competitors' initiatives;
- an unsuccessful marketing and/or leasing strategy;
- a decline in the leadership of certain assets.

For Carmila, such a situation could lead to:

- a decline in the attractiveness of its shopping centres;
- an increase in the number of retailers in difficulty;
- a decline in the occupancy rate of its shopping centres;
- a fall in market rent and in gross rent collected;
- a reduction in the rental base leading to a decrease in the value of the Group's assets.

Risk control and mitigation

In this context, Carmila's positioning affords it a certain degree of protection:

- Carmila's assets have always been embedded in their regions and an integral part of the local economic fabric. These are local assets, both in the geographic sense and in terms of use. Their physical proximity to a hypermarket powerhouse guarantees regular footfall. The sites' local roots and the teams on the ground ensure familiarity with the shopping centre among visitors and make them a partner for local authorities and organisations;
- the goods and services offering of Carmila's shopping centres is continually being adapted to meet the real or perceived needs of customers and residents in the catchment area. The shopping centres offer a convenient, practical solution that satisfies essential daily needs (food, supplies, services), with suitable products at appropriate prices;
- studies are conducted of customers and residents in the catchment area to understand their needs and views, and to adapt the offering of each centre accordingly;
- the leasing and asset management teams adapt the merchandise mix of each shopping centre to changing national and local consumer trends, identifying new retail brands and new purchasing habits;
- the expansion of Specialty Leasing and Pop-Up Stores allows Carmila to adapt to new trends more rapidly;
- in digital marketing, a web-to-store approach has been developed by Carmila's teams, who have built up well-regarded expertise in this area along with effective tools. This approach is designed to monetise the competitive advantages of the shopping centres, such as meeting immediate purchasing needs, grouping several types of purchases for click and collect, developing complementary and horizontal sales, creating familiarity with the site, and in particular offering easy access and free parking.

In terms of competition:

- thanks to the history of the Carrefour group, Carmila's centers have historically occupied the position of leader or joint leader in their catchment area in the vast majority of cases;
- Carmila regularly assess the satisfaction of its shopping centre customers and retailers through customer surveys and mystery shoppers, and endeavours to reach out to residents of the catchment area who are not yet customers, developing digital marketing tools to draw them in and encourage them to visit the centres;
- Carmila is diligent about maintaining the quality of its shopping centres from an architectural, technical and health perspective, strengthening their competitive position through extensions and refurbishments, and adapting the retail offering to the specific needs of each catchment area. Carmila's leasing teams are therefore based within each region so that they can develop appropriate retail solutions for each shopping centre;
- Carmila's leasing and asset management teams anticipate local competitive developments and adjust the retail offering, trade channels and advertising plans accordingly. They constantly look to identify the retail brands and activities best suited to the needs of each area, the size of the centre and the competitive environment;
- Carmila rolls out local digital marketing initiatives targeting retailers (B2B) and customers (B2C) throughout the year. These initiatives aim to boost the appeal of each shopping centre and increase retailer sales.

3. Geopolitical environment	
Risk identification and description	**Risk control and mitigation**
Carmila conducts its business and has shopping centres in three countries in Europe, and could therefore be exposed to risks relating to: • loss of value or revenue due to concentration in a given country or region; • country-specific socio-economic risks.	• Carmila's presence in eurozone countries (France, Spain and Italy) ensures greater economic stability. • Carmila's portfolio is made up of diverse types of shopping centres that vary based on the size of the surrounding catchment areas. • The portfolio consists of 214 shopping centres distributed across France, Spain and northern Italy. • Carmila's shopping centres include major regional shopping centres (80 to 150 stores), large shopping centres (40 to 79 stores) and local shopping centres (20 to 39 stores). It does not have significant unit exposure to supra-regional sites (more than 150 stores). Carmila's unit exposure is not very concentrated: Group-wide, the geographic distribution of the portfolio greatly reduces this risk. At 31 December 2021, Carmila's largest asset represented 4.6% of the portfolio's value including transfer taxes and 4.1% of annualised net rental income from leases.

3.2.2 Risks relating to Carmila's business

4. Health (including health risks), well-being, safety and security	
Risk identification and description	**Risk control and mitigation**

The Group is subject to various obligations in connection with the operation of its shopping centres, particularly those related to buildings open to the public ("ERP").
A major health crisis, such as the Covid-19 crisis, is likely to have a lasting and profound impact on the business of one or more geographical areas, to an extent which is difficult to predict. Such a crisis could disrupt the operation of shopping centres owned by the Group.
Regulatory or legislative measures resulting from such a crisis could impact the usual access of visitors, employees, service providers or suppliers to the shopping centres.
These same measures could also change how the management or support functions carry out their duties at the Group's head offices.
In addition, the ramp-up of terrorist acts in Europe increases the risks in all buildings open to the public and requires those buildings to implement procedures that adjust to these changing circumstances.
Carmila is also exposed to natural disaster risks in its shopping centres that could cause harm to its customers, its retailers and its employees.
	In order to respond to an exceptional health crisis risk such as the Covid-19 pandemic, a Business Continuity Plan (BCP) has been designed. The BCP includes:
	• a reminder of the purpose and challenges related to the Business Continuity Plan;
	• a list and analysis of the activities and functions deemed essential for the Company to continue operating during a crisis;
	• a list of identified measures implemented to ensure that these essential activities and functions can continue to operate, including:
	  ◦ identifying the persons responsible for implementing and managing these measures in real time, as well as the persons capable of replacing them where necessary,
	  ◦ defining alternative modus operandi enabling the business to continue operating, including the competencies of the teams able to remain on-site and remote working, with almost all employees equipped with a computer, a mobile phone and remote access to servers and business software,
	  ◦ a pooled crisis unit, responsible for coordinating crisis initiatives and comprising all functions deemed essential for the Company to continue operating,
	  ◦ the conditions and procedures for resuming normal activity after the crisis;
	• in addition, to ensure that the health measures put in place in its centres and head offices comply with government regulations, Carmila commissioned AFNOR to carry out an audit of its Covid prevention system, as a result of which it was awarded the "Covid-19 Hygiene Measures verified by AFNOR Group" certification for all its sites.
	The 2020-2021 health crisis allowed Carmila to adapt and improve the procedures provided for in its current Business Continuity Plan.
	Carmila has a strong financial profile with significant undrawn credit facilities and access to the banking, bond and commercial paper markets. This enables it to meet any short-term liquidity needs it may have as a result of any such crisis.

In order to mitigate terrorism risks and their consequences, Carmila has rolled out the following procedures for coordinating the actions of the different departments in implementing preventive measures (defining operating and emergency procedures, training, etc.) and protective measures such as:

- regular and ad-hoc audits of sites and preventive systems;
- initial and ongoing training for all stakeholders, especially staff in charge of implementing and monitoring safety and security procedures;
- formalised emergency procedures for the main security, safety and health risks;
- ongoing review and improvement of procedures.

In addition, since buildings open to the public are subject to specific regulations regarding safety, accessibility and fire procedures, the following measures are in place:

- legal and real estate operations teams constantly monitor any changes in laws and regulations resulting from government, local authorities (prefectures, departmental fire and rescue services) and professional bodies (French shopping centre trade body [CNCC], etc.);
- legal and real estate operations teams participate in official working groups in charge of drawing up or updating directives or regulatory requirements;
- the latest regulatory requirements (Construction and Housing Code, accessibility regulations, etc.) are incorporated into the building design;
- multi-year investment budgets are drawn up, anticipating statutory periodic inspections or routine maintenance work for buildings and equipment in particular;
- only ERP-accredited service providers are used;
- safety committees are prepared upstream with all stakeholders concerned.

These procedures are implemented by specialised teams, assisted by the local on-site teams (managers of shopping centres and real estate operations, safety and security staff, etc.).

The geographic diversity of Carmila's portfolio (214 sites, three countries) allows these risks to be mitigated for the Group as a whole. No single site represents a material exposure for the Group within the portfolio.

5. Relationship with and exposure to retail brands, counterparty risks

Risk identification and description

The business and success of Carmila's shopping centres largely reside in the teams' ability to choose the best retail brands and activities for the catchment area, in order to preserve the attractiveness of each centre.

Carmila may also be faced with, or may have to anticipate, a loss in its retail brands' commercial appeal. At a time when customers are increasingly seeking variety, change and innovation, some retail brands might not be able to adapt their concept quickly enough and would therefore lose attractiveness and sales.

An optimum selection of brands and retailers, and their good fit with the local area, are key to helping Carmila's business thrive, as they impact:

- the default rate of the retail brands and the bad debt rate;
- a risk for some lessees of insolvency, receivership or liquidation;
- a decline in occupancy rates;
- footfall, attractiveness and retailer sales in the shopping centres;
- the leadership of the shopping centre;
- the value of Carmila's assets over time.

As a result of its strategic partnership with the Carrefour group, Carmila is also exposed to the risks associated with this partnership and the counterparty risk vis-à-vis its partner.

Risk control and mitigation

Since its inception, Carmila has sought out diverse activities and retail brands for its shopping centres, adapting its merchandising mix to the size of each centre, to local needs and to the competitive environment. This policy is based on:

- regional teams who tailor the leasing activities to each site and select retailers locally to round out the portfolio of national and international brands;
- Carmila's Survey department, which conducts in-depth analyses to provide detailed information about the customers and residents of the catchment area by profile category;

  Particular care is taken to have a broad range of activities and retail brands, in order to reduce the risk of dependency;
- lessees or potential lessees are thoroughly monitored via:
  - upstream analysis of prospective tenants (creditworthiness, reputation survey),
  - a collective decision-making process for selecting tenants and signing new leases,
  - ongoing monitoring (monitoring on the ground, monthly review of trading and payments, support for struggling lessees, etc.),
  - monthly monitoring of key indicators of retailer health by the Executive Committee,
  - corrective action or supportive measures;
- a B2B and B2C local digital marketing strategy that is implemented across the shopping centres and aims to help local retailers grow their business thanks to tools that provide local information about the catchment area (local databases, local surveys of customers and prospective customers, and so on);
- initial and ongoing training sessions which are provided to the teams concerned in order to keep them abreast of any regulatory or legislative changes specific to leases;
- a legal team which is responsible for drafting leases, monitoring regulations and implementing any legislative changes in this area;
- the structure and term of commercial leases, which offer Carmila stability and good visibility as to the collection of its rent; the vast majority of leases feature minimum guaranteed rent;
- leases which provide that any disputes or litigation shall be heard in France.

Carrefour is Carmila's partner of choice. To ensure that their partnership is effective, the following main procedures have been put in place since 2014:

- contractual relationships with Carrefour are systematically formalised (Renovation and Development Agreement, service agreements, management mandates, etc.), with detailed information on these contractual dealings published every year by Carmila and overseen by the Board of Directors;
- Carrefour's and Carmila's interests are aligned (shared margin on development projects, joint investments, etc.);
- the majority of the members of Carmila's Board of Directors are independent;
- decision-making for investments (Strategy and Investment Committee) is independent. The Directors representing Carrefour do not vote on decisions involving Carrefour (joint investments, contract renewals, etc.);
- the share of Carrefour rents in Carmila's portfolio is low, i.e., less than 1% of Carmila's total net rental income;
- support function activities are regularly benchmarked to ensure that the cost of the services provided is competitive.

Furthermore, Carmila reduces its dependance on Carrefour and increases the retail attractiveness of its sites by installing in its shopping centres other well-known and successful complementary brands wherever possible.

6. Property development	●● ●●●

Risk identification and description

Carmila develops a large portfolio of shopping centre extensions in partnership with Carrefour.

This development activity exposes Carmila to the usual risks associated with property development:

- operational risks related to the management of construction, renovation, restructuring and extension projects on shopping centres (quality of works, lead times, safety), the procurement of permits and project management liability;
- failure to meet leasing targets;
- risks related to the financial profitability of the projects, and to acquisitions and investments;
- legal risks associated with development projects (urban planning law, construction law, etc.);
- CSR risks in construction projects (environment, relations with local residents, service providers, suppliers, procurement, etc.).

Risk control and mitigation

The main systems and procedures to mitigate these risks are implemented throughout the development of the project:

- all projects must be approved by an Investment Committee;
- for joint projects with Carrefour, each developer's decision-making is independent (Strategy and Investment Committee at Carmila; Investment Committee at the Carrefour group). Every phase in the project (analysis, permit application, start of work) involves a decision by each of these committees;
- the status of the project, its compliance with budget and deadlines and its results are monitored throughout its development by the Strategy and Investment Committee. In the case of joint projects, both partners are responsible;
- technical and financial feasibility studies and analyses are completed upstream by Carmila, Carrefour Property and Carrefour teams, supported by external specialist firms;
- a dedicated legal team continually monitors any changes in legislation and/or regulations concerning public-access buildings, urban planning and construction;
- Carmila draws on Carrefour Property's construction experts to manage the design specifications, ensure strict compliance with regulations and safety rules, and maintain a tight rein on construction and renovation costs. These experts also ensure that Carmila's environmental charter and regulations applicable to owners are respected;
- the Group has put in place standardised procedures applicable to tendering processes for construction contractors and service providers, with only reputed, first-rate service providers selected;
- a pre-leasing rate of 60% must be met before any construction work begins;
- Carmila has a dedicated CSR department which ensures responsible practices in terms of purchasing, stakeholder due diligence, dialogue with customers, contact people in the catchment area, and so on. Its CSR policy anticipates future legislative changes in the areas of environment, ethics, health and safety, working conditions and climate;
- the Group's liability is covered by adequate insurance and guarantees.

7. Information systems security and personal data protection

Risk identification and description

Information and telecommunications systems are pivotal to the Group's daily business, transaction execution, continued development of new tools, data storage, and communication between its teams and stakeholders. In this regard, Carmila is exposed to:

- risk of information system failure;
- risk of an attack on its systems that could impact Carmila's business continuity or image;
- risk of fraud related to the information systems.

Carmila maintains databases in line with its business needs. These databases store:

- information on customers and visitors within the framework of its digital marketing activities;
- information on employees within the framework of HR management;
- information on other stakeholders enabling it to communicate with those stakeholders and carry out day-to-day transactions (suppliers, investors, tenants, etc.).

Stricter data protection regulations have led to an increased risk (e.g., of non-compliance, data hacking), and require best-in-class procedures to be put in place to protect information systems and particularly databases developed by Carmila containing information on customers, service providers and employees.

Improper application of the regulations in force (especially the General Data Protection Regulation, or GDPR) could have operational and financial consequences for the Group, and could also harm its reputation.

Risk control and mitigation

Carmila uses Carrefour's information systems organisation model so as to benefit from its effectiveness, structure and expertise in this field. This also allows it benefit from the stringent IT security standards of a large conglomerate and to pool resources and expertise.

Carmila can therefore draw on the expertise of:

- the Information System department responsible for system security;
- a dedicated information systems security officer.

The department implements the Carrefour group's procedures regarding:

- data security, applications, systems and hardware. These are regularly updated in order to remain in step with the fast-changing environment;
- regular system updates and audits;
- awareness-raising and training for users;
- multi-annual reviews of access rights;
- annual tests on work stations, applications and systems;
- contractual obligations applicable to suppliers.

Across Carmila, the department also adapts and develops:

- formalised business continuity plans that are tested annually;
- obligations with regard to reporting, data protection and oversight in relation to applicable regulations in this area;
- initial and ongoing in-class and online training sessions for teams in information system security.

All new employees receive an IT charter, and are briefed on best information system security practices each year.

Carmila has put in place appropriate governance, in compliance with applicable legislation on data protection:

- an external Data Protection Officer (or DPO) has been appointed to (i) inform and advise the Group on the General Data Protection Regulation (GDPR), (ii) monitor compliance, and (iii) liaise with the relevant government body (CNIL);
- Carmila has appointed a person who is responsible for implementing and monitoring data protection obligations. This person works in conjunction with the monitoring group set up at the level of the Carrefour group;
- sensitive data is identified regularly and the record is kept up-to-date;
- the data collection procedure has been made GDPR-compliant;
- awareness-raising and training sessions are periodically organised for data users.

External service providers are subject to GDPR obligations, either via a specific clause in their contract, or an amendment to their contract if this was signed before the GDPR came into force.

3.2.3 Legal and ethical risks

8. Regulatory and legal developments

Risk identification and description

Carmila's business and geographical locations expose it to various legal and regulatory obligations, including:

- various administrative permits that must be obtained for projects and activities;
- other permits, licences and professional accreditations (co-ownership, leasing, property and rental management, etc.);
- regulations relating to urban planning, construction, health and safety and public-access buildings;
- financial and tax regulations;
- personal data protection regulations;
- extra-territorial laws, etc.

Failure to comply with these obligations may expose Carmila to:

- administrative, financial or criminal penalties;
- the loss of licences, professional accreditations, etc., thereby preventing the conduct of some of its activities;
- damage to its image and reputation;
- loss of confidence of its partners, tenants, suppliers and/or customers.

The Covid-19 crisis led to many new regulations in a broad spectrum of areas in the three countries where Carmila operates (health and safety, business relations and human resources), thereby exposing the Company and its partners to a greater risk of infringement leading to:

- administrative, financial or criminal penalties;
- closure of establishment(s).

Risk control and mitigation

Carmila takes certain measures which enable it to reduce the probability that these risks will occur:

- it consults a legal team specialised in property law at Carrefour Property;
- legal specialists (urban planning, construction, commercial leases, acquisitions, etc.) working for Carmila, Carrefour Property and Carrefour, along with outside experts and consultants, constantly monitor changes in regulations.
- Carmila's teams have a local presence in each of the three countries where it operates, and especially in the heart of regions and towns/cities. Close relations with local stakeholders help Carmila anticipate changes in local and regional regulations;
- Carmila anticipates and participates in developing urban planning documents (e.g., local development plans) in conjunction with the competent authorities;
- experts within the project development and real estate operations teams perform a detailed analysis of urban planning documents and regulations prior to the launch of any project;
- a safety committee management and reporting tool is integrated within the BTER property management platform so that all such reports are available in electronic format;
- teams receive initial and ongoing training to ensure that they keep abreast of changes in laws and regulations relating to their particular business line, along with changes in the regulatory environment and the impact of those changes, especially for the development of commercial assets and buildings open to the public;
- Carmila is also a member of leading industry organisations (CNCC, French federation of real estate and property companies [FSIF]), whose role includes monitoring and anticipating changes in laws and regulations and representing the views of its members;
- Carmila actively participates in bilateral and industry analyses and discussions (CNCC, FSIF, equivalent Spanish and Italian organisations) with retailers on the legal framework for their collaboration;
- finally, amid regulatory and legal instability resulting from Covid-19, a legal intelligence unit and toolkit have been set up to enable Carmila to adapt and respond to the evolving situation in real time.

9. Ethics-, corruption- and fraud-based risks	●● ●●
Risk identification and description Due to the nature of its business, Carmila operates in three countries with different regulations and with numerous third parties and partners of all kinds, including private and public intermediaries, business partners and elected representatives. Consequently, if Carmila's organisation were to fail in the fight against fraud, money laundering, corruption and influence peddling, it would be exposed to: • financial, disciplinary or administrative penalties imposed by national or international authorities; • a negative impact on the confidence of investors, partners, tenants and customers; • the risk of fraud or embezzlement and an inability to detect such incidences in the course of its business.	**Risk control and mitigation** Carmila's strategy is based on the due and proper application of the procedures in place, which include: • a collective strategic decision-making process (finance committees); • the delegation of responsibilities through correspondents, who are responsible for the consistent implementation of Group policies (each manager is responsible for carrying out the checks falling within his or her remit); • the segregation of functions, with operational roles kept entirely separate from validation roles; • the existence of three levels of control: level 1 – assessment by employees and their managers; level 2 – assessment by permanent control functions that are independent of level 1 control processes and operational teams; level 3 – assessment by the Finance department; • a whistleblowing system for collecting and analysing both internal and external ethical alerts, and for following up on those cases where necessary (investigation) in order to deploy remedial measures and sanctions (e.g., dismissal, filing of a complaint) where necessary. Furthermore, in order to protect itself against these risks, Carmila has appointed a head of internal control and compliance (reporting to Group Executive Management), whose role is to: • implement procedures and ensure that they are applied correctly; • train and raise awareness amongst exposed employees and stakeholders on these issues every year. All business line procedures and associated rules regarding corruption, fraud and money laundering are set out in "Business line procedures" manuals, which describe the different operating functions, as well as the rules of conduct and main procedures applicable to each business line. Every year, all of Carmila's exposed employees are required to sign a Statement of Independence and, where necessary, a Review of Interests. Training on best practices in terms of fighting fraud, corruption and influence peddling is provided each year to the Executive Committee, and to all exposed employees and new joiners. A digital version is permanently available online for all employees. Lastly, the anti-corruption best practice guide is also permanently available online on the Group's intranet home page.

3.2.4 Financial risks

10. Cost of and access to financing and financial markets

Risk identification and description

Carmila may encounter difficulties in accessing financing in the following situations:

- bank debt, bond or private borrowing and commercial paper markets may shut down;
- Carmila's debt level (loan-to-value) may be considered excessive;
- financing agreements may include restrictive covenants;
- Carmila's ability to access the financial and derivatives markets may be restricted;
- investors lose their appetite for the retail property sector;
- there is a crisis in equity markets;
- risks may arise on hedges and on counterparties to financial instruments;
- Carmila's debt may be downgraded;
- there may be a significant discount in the Group's NAV compared to its share price.

These difficulties could reduce the Group's capacity to finance its growth.

Carmila could also face an increase in its financing costs as a result of:

- a rise in bond and bank interest rates, or in the cost of hedging;
- a downgrade of its debt;
- a deterioration in the derivatives market and an increase in counterparty risk on derivative instruments.

Risk control and mitigation

Carmila reduces the risks associated with its financing requirements by:

- diversifying its sources of financing and maintaining good relations with leading banks;
- maintaining regular contact with financial markets through transparent and high-quality reporting;
- monitoring markets on an ongoing basis in order to identify any upcoming opportunities.

Carmila also benefits from:

- the bond market, to which Carmila has had access since its creation;
- an investment grade rating (BBB);
- a €600 million commercial paper programme;
- undrawn revolving credit lines;
- its ability to sell mature assets – either on a standalone basis or as part of a portfolio.

Carmila could also pay part of its dividend in shares in order to increase its available cash.

Carmila can also postpone its investments without modifying its cash flows.

With regard to the risk of an increase in its financing costs, Carmila's assets generate revenues which are indexed to inflation, thereby creating a natural hedge against a sharp rise in interest rates that would very likely result from higher inflation.

Carmila also has:

- long-term financing lines, mainly at fixed rates, or swapped to fixed rates, which protect against a sharp and/or sudden rise in interest rates;
- the Group constantly monitors funding opportunities in markets where interest rates may tighten;
- the €1,500 million EMTN programme set up in 2019 enables Carmila to rapidly access the market. Since its creation, Carmila's ability to rapidly access debt markets has been facilitated by its transparent and high-quality reporting to the financial markets and rating agencies.

Carmila can also tap into alternative sources of financing to fund its growth, where conditions are more attractive (shares, disposal of assets, free cash flow).

11. Taxation and REIT, SIIC and SOCIMI regimes

Risk identification and description

As a listed real estate company benefiting from special REIT tax regimes in France (known as "SIIC") and Spain (known as "SOCIMI"), Carmila is very sensitive to any changes in regulations that may concern these regimes.

Risk control and mitigation

- Carmila is also a member of leading industry organisations (FSIF, ERPA), whose role includes monitoring and anticipating changes in laws and regulations and representing the views of its members. These organisations coordinate clear and transparent industry statements regarding the contribution of REITs to the economy in both France and Europe (creation of direct and indirect jobs, value creation, contribution to stock markets, etc.).
- EPRA, the European Public Real Estate Association, aims to develop the REIT regime in all European countries in order to create a dynamic sector on the stock market on a European scale.

Carmila also regularly monitors tax rules and any changes in those rules, and ensures that the Group complies with its obligations as an REIT.

3.2.5 Environmental, climate and societal risks

12. Environmental, climate and societal issues

Risk identification and description

Environmental, climate and societal concerns are at the heart of Carmila's business model. Failure to consider these matters would expose the Group to the risks described below.

Environment

- Waste: poor waste management would lead to regulatory and financial risks for Carmila.
- Biodiversity: questions of a link between the Group's new projects and biodiversity damage and/or land degradation would raise risks of local communities finding projects unacceptable and project development being refused.
- Water: irresponsible use of water or water pollution presents financial risks (direct costs) and restrictions on the use of this resource.

Climate and resilience

- As extreme weather events become more frequent and more severe, the lack of resilience of its assets would give rise to a direct and indirect financial risk.
- Greenhouse gas emissions aggravate climate risks, leading to tensions in fossil fuels, with repercussions on operating costs, sourcing capacities and financial difficulties.

Societal

- Weak local and regional ties would compromise retailer prosperity, visitor traffic and Carmila's activity (low attractiveness, difficulties in having projects accepted, etc.).

Risk control and mitigation

Carmila has put in place the measures described below to protect itself against these risks.

Upstream

- The risks, their assessment and the procedures for preventing them are reviewed each year (Audit and CSR committees) to ensure that the risk management system is effective and to comply with the requirements of the Non-Financial Statement.
- Carmila has mapped non-financial risks involving all the business lines. This mapping was updated in 2021 by the CSR and Internal Control departments and validated by the Audit Committee.

Environment

Carmila endeavours to adopt a more frugal approach to the use of resources, notably by:

- increasing waste recovery as part of a circular economy approach;
- protecting biodiversity;
- optimising water consumption.

Climate and resilience

To step up action to combat climate change, Carmila will focus particularly on:

- developing a low-carbon strategy;
- consolidating and continuing reductions in energy consumption;
- promoting eco-mobility.

Improving the resilience of its assets and their "green" value is a priority and a necessity for Carmila, which has chosen to:

- set up a climate resilience action plan;
- extend the scope of certifications.

In this regard, Carmila has set itself the objective of achieving net zero greenhouse gas emissions by 2030, by gradually reducing its consumption, prioritizing renewable energy sources and offsetting the residual emissions it is unable to eliminate.

Societal

Carmila supports the local economy, which not only affects its retailers but also its visitors and all local partners. Carmila expresses its responsibility at the heart of its regions by stepping up its actions in terms of:

- employment;
- community initiatives;
- the responsible second-hand market;
- a high-quality dialogue with retailers and customers;
- awareness-raising activities on sustainable development.

13. Talent management and engagement (recruitment, retention and succession)	●●●●

Risk identification and description
The quality of recruitment in a highly competitive environment, talent management, retention of key expertise and succession planning are all major concerns for Carmila.
An inadequate strategy in this area would expose the Group to:
• recruitment difficulties for key roles;
• the loss of key employees without a succession plan, and therefore a disruption to its activity;
• a decline in employee expertise;
• loss of key historical information.
Similarly, Carmila must take great care to respect diversity and human rights, or risk exposing itself to:
• criminal charges related to shortcomings in promoting diversity and combating discrimination and harassment;
• a risk of being disconnected from society if its workforce is not representative of the overall population;
• a risk of damage to its image.
	Risk control and mitigation
	Employee engagement is fundamental and is nurtured from recruitment and throughout the employee's career in the Company, in particular through:
	• a structured programme for all new recruits, involving for example the "Welcome On Board" induction programme, an integration seminar, mentoring and support during the trial period;
	• regular monitoring of employees throughout their career (annual appraisals, career committees, etc.);
	• development of a succession plan.
	In the area of human rights and anti-discrimination, in addition to the provisions set out in its Rules of Procedure and policies, Carmila has put in place various measures.
	• To combat harassment:
	  • anti-harassment awareness training;
	  • two anti-harassment points of contact (Social and Economic Committee and Human Resources).
	• To combat discrimination:
	  • a "Recruiting without discrimination" training course;
	  • a disability mission;
	  • a gender equality index that is monitored in each of Carmila's three countries.

3.3 Insurance

The Group's insurance strategy is based on services provided by the Carrefour group and involves identifying insurable risks through a regular review of existing and emerging risks. The Carmila Group's entities are covered by insurance policies put in place by the Carrefour group, with the customary levels of coverage for this type of business. The Group benefits from this insurance as entities that are specifically covered by these policies.

These insurance programs are negotiated centrally and are renewed on 1 January of each year.

The insurance policies are as follows:

- "Property Damage and Operating Losses", which insures assets, in particular against fire, explosion, lightning, natural events and theft, and covers any resulting operating losses;
- "Third Party Liability", which covers the financial consequences of physical, property and/or financial damage caused to third parties, in the event that the Carmila Group is held liable for such damage;
- "Construction", such as "Construction All Risks" and/or "Building Defects", which insures the Group's construction, extension and/or renovation sites, both during work and after delivery.

Other policies cover the Carmila Group's other insurable risks in line with the nature of the activities, the risks and the scale of the Group.

Upon completing an acquisition, the Carmila Group requests coverage for the acquisition under these insurance policies and benefits from equivalent protection or, if applicable, coverage in addition to the guarantees provided by the policy in question (DIC/DIL: Difference in Conditions/Difference in Limits), ensuring good control of existing coverage and guarantees.

3.4 Risk management and internal control

The Carmila Group applies the general principles of internal control and risk management defined in the Reference Framework of the French financial markets authority (*Autorité des marchés financiers* – AMF), which was published in January 2007 and updated on 22 July 2010.

Carmila has entered into several service agreements with the Carrefour group in connection with the support functions required for running its business. These agreements mainly concern accounting, tax, legal, real estate, administrative and insurance services. The Carrefour group's risk management and internal control systems have also been developed to comply with the AMF Reference Framework.

The risk management and internal control systems have been designed to manage risks, help the Group achieve its objectives and make operations more efficient.

Like any system of control, internal controls provide reasonable, but not absolute, assurance that the entity's objectives will be achieved. The limits inherent in internal controls mean that they cannot prevent poor judgement, bad decisions or external events which result in technical or human failure or may prevent the achievement of operational objectives.

3.4.1 Risk management system

3.4.1.1 Purpose and organisation of risk management

Risk management is intended to cover the financial, operational, liquidity and environmental risks described in section 3.2 "Risk factors" and in Chapter 4 "Corporate social responsibility" of this document.

The risk management system within the Carmila Group aims to identify, analyse and address the major risks likely to harm people, the environment, assets and the Group's objectives or its reputation. In particular, risk management seeks to:

- create and protect Carmila's value, assets and reputation;
- safeguard Carmila's decisions and processes to help it achieve its objectives;
- encourage initiatives which are consistent with Carmila's values; and
- rally employees around a common vision of the main risks.

Carmila's approach is to embed risk management within its day-to-day business activities. Risk management is therefore a common project for all employees. Addressing risk and implementing the risk management principles are the direct responsibility of Executive Management, which is in charge of monitoring and supervising risk management.

3.4.1.2 Risk identification and monitoring

The Audit Committee monitors risk management on a regular basis and examines the risk mapping and the associated action plans.

As part of the service agreements with the Carrefour group, all functions sub-contracted by Carmila are subject to the internal control and risk management system set up within the Carrefour group, notably through its Ethics, Compliance and Data Protection department. Carmila also performs quality control of the functions sub-contracted and regularly updates its analysis of the risks inherent to these functions.

The safety of people and property is one of the critical objectives of the risk management system, which seeks to:

- protect customers, employees, service providers and the Group's sites, as appropriate;
- ensure that sites comply with applicable regulations; and
- protect and improve the Company's brand image and reputation.

Carrefour's Insurance department contracts and manages insurance policies on a centralised basis on Carmila's behalf, and also manages any claims.

3.4.2 Internal control system

The Carmila Group's internal control system includes a set of resources, policies, procedures and actions adapted to the Group's characteristics and closely related to risk management (see section 3.2 "Risk factors"). The system is designed to:

- contribute to control over its activities, the efficiency of its operations and the efficient use of its resources;
- take appropriate action with regard to the major financial, operational or compliance risks facing the Carmila Group and which could prevent it from achieving its objectives.

In particular, the internal control system aims to ensure that[1]:

- the Group can achieve its economic and financial objectives in compliance with applicable laws and regulations;
- the instructions and directions given by the Group's Executive Management are implemented;
- internal processes, especially those relating to the protection of its assets, people and resources, function properly; and
- financial information is reliable.

3.4.2.1 Organisation and scope of intervention

Carmila has implemented an internal control system which has been documented in different written procedures, a Code of Professional Conduct, and a definition of powers, responsibilities and objectives at each level of the organisation, in order to maintain an effective segregation of tasks between operating and supervisory roles. The implementation of the internal control system is based on an appropriate organisational structure in which responsibilities are clearly defined, adequate resources and competencies are provided, and appropriate information systems, tools and practices are implemented.

Internal control procedures are monitored on an ongoing basis at the level of the Carmila Group so as to prevent or detect problems in a timely manner. In designing its internal control system, the Group refers to the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal control function relies on the internal controls of Carrefour Property, a Carrefour subsidiary, for sub-contracted activities.

Carmila's internal control procedures as described in this document are applied within all of the Group's businesses and companies, without exception.

3.4.2.2 Internal control stakeholders: definition of responsibilities and powers

Management bodies

Executive Management is responsible for internal control and risk management. It is therefore responsible for designing and implementing internal control and risk management systems that are appropriate for the Group, its business and its organisational structure.

Executive Management monitors the internal control and risk management systems on an ongoing basis in order to ensure their integrity and improve them by adapting them to changes in the organisation and environment[2].

It initiates any remedial measures that become necessary to correct problems that are identified and therefore maintain an acceptable level of risk. It ensures that these measures are duly implemented in a timely manner.

The Board of Directors is informed of the key characteristics of the internal control and risk management systems and thereby acquires an overall understanding of the procedures used to prepare and process financial and accounting information through the work performed by the Audit Committee. The Board of Directors ensures that the major identified risks for the Group are dealt with in its strategies and objectives, and are taken into account when managing the Group[3].

Audit Committee

The Carmila Group's Board of Directors has set up an Audit Committee comprising four members, as described in section 6.1 "Carmila's corporate governance".

(1) Aims specified in the AMF Reference Framework for risk management and internal control systems (Section II-3 A).
(2) AMF Reference Framework for risk management and internal control systems (Section II-5 a).
(3) AMF Reference Framework for risk management and internal control systems (Section II-5 b).

As part of its role in terms of monitoring the effectiveness of the internal control and risk management system, the Audit Committee is responsible for:

- monitoring the effectiveness of the internal control and risk management systems;
- conducting regular supervision and making any recommendations to improve these systems;
- analysing risks, risk levels and the procedures put in place to mitigate those risks, along with any off-balance sheet commitments;
- assessing any problems or weaknesses brought to its attention; and
- presenting a summary of its work on internal control to the Board of Directors.

Operational monitoring and oversight committees

Carmila's Executive Management is responsible for ensuring that Carmila's internal control system is operating effectively, including internal controls over services sub-contracted to Carrefour. To this end, the General Secretary draws on reports from the following operational committees:

- the Investment Committee;
- the Monthly Activities Review;
- the Monthly Credit Collection Committee and Litigation Committee;
- the Ethics Committee;
- the Data Security Committee (France).

Carrefour Property's Internal Control department in each country is also responsible for managing internal control and implementing action plans for sub-contracted services.

On a day-to-day basis, Management provides ongoing oversight of the effectiveness of the internal control system.

3.4.2.3 Services sub-contracted to the Carrefour group

The Carmila Group has entered into a service agreement with the Carrefour group covering accounting, administrative, IT, legal and tax services.

IT system

The Carmila Group's IT systems are designed to meet its needs and satisfy its requirements with respect to:

- security and confidentiality;
- reliability and integrity;
- availability; and
- traceability of information, so as to enable systematic audits of access or tasks.

The Carrefour group provides IT services to the Carmila Group. Carrefour Property's Data Systems Innovation department assists the Carmila Group in planning its IT strategy, coordinates and supervises the implementation of its IT projects and manages IT resources and budgets. The Data Systems Innovation department is involved in the conceptual design and IT architecture of the Carmila Group's projects and is involved in the preparatory phase together with Carrefour's Information Systems Security department so it can:

- identify the risks inherent to projects, in particular those relating to data protection; and
- define the security requirements and the security actions to be included in the project.

It is also responsible for IT system security together with Carrefour's Information Systems Security department, and for system maintenance.

Carrefour Property France has appointed an IT System Security Officer whose main task is to adapt and deploy the security policy defined by the Carrefour group as well as promoting best practices with the teams.

Action plans are monitored and adjusted where appropriate at the Data Security Committee's quarterly meetings. Action plan progress is monitored at monthly meetings.

Corporate Legal department

As part of the service agreements with Carrefour Administratif France and Carrefour SA, Carrefour's Corporate Legal department monitors any legal and regulatory requirements relating to company law, prepares and formalises corporate events (board meetings, shareholders' meetings, etc.), and carries out any legal and administrative formalities pertaining to company law.

Real Estate Legal department

As part of its service agreement with Carrefour Property (CPG), Carrefour Property's Legal department monitors any legal and regulatory constraints relating to real estate which apply to the Carmila Group's portfolio.

Carrefour Property's Legal department is responsible for all of Carmila's legal activities in relation to its properties which include laws applicable to commercial leases, joint ownership, sales and acquisitions, real estate development, administrative real estate permits and all asset management legal services, and monitoring disputes and litigation.

More generally, Carrefour Property's Legal department also ensures that all of the Carmila Group's activities and entities apply and comply with the applicable laws.

It also provides day-to-day assistance to operational teams with regard to negotiating leases and putting in place specific agreements, and provides overall support in regard to all related legal documentation.

During the Covid-19 health crisis, Carrefour Property's Legal department prepared and verified all agreements provisionally modifying leases to help ensure tenants could continue in business and to therefore protect Carmila's gross rental income (see section 3.2.2 – "Risk 4 – Health (including risks associated with health, well-being, safety and security").

Human Resources

Within the scope of the service agreement, Carmila's HR management teams draw on Carrefour's shared service centres, which manage personnel on a day-to-day basis and ensure compliance with Carmila's objectives and policies.

Carmila's HR policy promotes the development of its employees through training and individual career management. Carmila also promotes an inclusive working environment that respects diversity and gender equality, as detailed in section 4.4 "*Here we act* for our employees".

Annual assessments are performed to check that all employees comply with the Group's policy in terms of managerial and ethical standards. In part, this assessment allows performance, and therefore employees' variable compensation, to be measured.

3.4.2.4 Documentation and dissemination of the internal control system

Carmila's own internal control system and processes are laid down in business line procedures, which include all job descriptions and processes, and are available as collaborative tools (intranet, email, etc.) to ensure that the information can be accessed and shared rapidly. These business line procedures play a crucial role in the internal control process. They aim to streamline and standardise the information disseminated so processes are secure and consistent across all of Carmila's business lines and teams.

During induction days, which aim to make new arrivals aware of the Group's internal procedures, new employees receive a copy of the Group's ethical principles, a booklet on data security, and a booklet on the Group's anti-corruption and conflict of interests policy.

This information is also disseminated to the Carrefour group's employees in the functions sub-contracted under the service agreements.

3.4.2.5 Dissemination of and compliance with Carmila's ethical values

Carmila has drawn up a Code of Professional Conduct consistent with the values and guidelines of the Carrefour group. An Ethics Committee has been set up to guarantee the fundamental principles defined in the Carrefour group's Code of Professional Conduct, based on:

- individual and collective ethical conduct;
- confidentiality of information;
- whistleblowing;
- respect for diversity;
- the Group's social and environmental responsibility;
- conduct at work;
- transparency in business relationships.

The Ethics Committee comprises seven members of the Executive Committee and the head of Internal Control, Risk Management and Data Security. The Committee covers France, Italy and Spain and meets at least once a year in order to:

- ensure the ethical principles are published and that the conditions are in place to ensure employees are familiar with them, understand them, share them and comply with them;
- ensure that the Group's ethical principles and "Policy for fighting corruption and influence peddling" are duly disseminated and posted on the intranet;
- ensure that the associated training sessions are rolled out;
- organise and ensure that the whistleblowing procedure functions effectively, and ensure that alerts are processed independently in compliance with applicable legislation;
- discuss and implement the action plan on the main ethical issues affecting the business in order to remain one step ahead in the process and obtain a broader view of the issues;
- advise directors on any issue relating to the application of or compliance with our ethical principles;
- monitor and regularly assess the effectiveness of the system.

A practical guide to the ethical principles is also given to all Group employees. Each employee is expected to be familiar with this guide, and to comply with it and ensure it is complied with, in all circumstances. This guide is also disseminated to all employees of the Carrefour group, including the teams who work for Carmila in the context of the service agreements between the two groups. A copy of "Our Ethical Principles" is given to each new employee on arrival.

3.4.2.6 Fight against corruption and money laundering

Carmila is included in the whistleblowing procedure implemented by the Carrefour group that allows stakeholders to flag breaches of ethical principles, particularly concerning corruption and conflicts of interest. This procedure includes an exclusive hotline and website for notifying any alerts. It is open to all employees and third parties that have dealings with the Group. Confidentiality and whistleblower anonymity is guaranteed at all stages of the whistleblowing process.

Carmila's anti-corruption and anti-money laundering system is based on the Carrefour group's charter, notably taking into account the French law of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy (Sapin II) and the French order of 1 December 2016 which toughens French anti-money laundering and terrorist financing legislation.

A policy for fighting corruption and influence peddling was defined and presented to the employee representative bodies in France. This document was incorporated into the Rules of Procedure of Carmila and Carrefour Property's economic and social unit (ESU).

The risks of influence peddling and corruption have been mapped. On this basis, a training programme supported by physical documentation and digital materials was developed for the employees most exposed to these risks. In-class or video-based training sessions – updated each year – are rounded out by e-learning available at all times for all employees.

Each Group employee must also sign an annual certificate of independence aimed at limiting and managing conflicts of interest.

3.4.2.7 Protection of personal data

Carmila acted ahead of the General Data Protection Regulation (GDPR – 2016/679/EU), which came into force on 25 May 2018. The law firm Bensoussan performed a diagnostic review in 2017 to assess the Group's level of compliance with the GDPR, recommend an appropriate organisation for data protection, identify corrective measures and draw up a compliance plan. The system was reviewed once again in 2020 by the Feral-Schuhl/Sainte-Marie law firm. The plan was implemented in conjunction with the Carrefour group.

In order to improve the effectiveness of its system, Carmila chose to outsource the role of Data Protection Officer (DPO), which is now assumed by the firm Osborne-Clarke. The Data Protection Officer is responsible for (i) informing and advising the Group on GDPR, (ii) monitoring compliance, and (iii) liaising with the relevant government body (CNIL).

GDPR steering committees have also been set up.

3.4.2.8 Stock market ethics and insider trading

A Stock Market Ethics Code was adopted by the Carmila Group and disseminated to all holders of sensitive and/or inside information (Board of Directors, Executive Management, and key employees) in order to combat and prevent the risk of insider trading. This Ethics Code sets out the closed periods preceding the publication of quarterly and annual revenues and half-yearly and annual results, during which employees are advised to abstain from trading or attempting to trade in Carmila shares. Carmila's Board of Directors adopts the closed period schedule each year.

The purpose of the Group's financial reporting policy is to ensure the publication of relevant, accurate and fair information, enabling all users to access the same information at the same time.

3.4.3 Critical activities for operational internal control

Control activities are designed to ensure the proper implementation of, and compliance with, internal control procedures so that the risks associated with major transactions carried out by the Group are managed.

3.4.3.1 Investment authorisations

The purpose of the Renovation and Development Agreement between the Carmila Group and the Carrefour group is to create a partnership between the two groups with a view to implementing a strategy in France, Spain and Italy to increase the attractiveness and optimise the value of the assets. For a description of the Renovation and Development Agreement, see section 3.1.5.3 "Principal agreements with Carrefour group entities" of this document.

Within this framework, investment projects are subject to an approval procedure which aims (i) to ensure that they comply with the Group's strategic priorities and profitability criteria, and (ii) to coordinate the development processes between the two groups and align both partners' interests. This approval procedure is based on technical, tax, legal, financial and environmental studies.

In light of the limitations imposed by the Board of Directors on the powers of Executive Management, investment proposals must receive a favourable opinion from the Strategy and Investment Committee and the Board of Directors' agreement for any projects representing an outlay of more than €15 million.

In addition, the Carrefour group's Investment Committee validates any real estate investment in which Carrefour's share represents more than €3 million.

3.4.3.2 Management of renovation and development projects

Under the terms of the Renovation and Development Agreement with the Carrefour group, both parties undertake to equally split (50/50) the cost of renovation and development work.

CPG, a subsidiary of Carrefour Property France, acts as project manager under project management delegation agreements signed for each project.

The approval procedure for these projects is described above (see section 3.4.3.1 "Investment authorisations").

3.4.3.3 Lease management

Carrefour group subsidiaries provide lease management and asset management services on behalf of Carmila in France, Spain and Italy. Day-to-day management is thereby delegated to a team complying with the management rules and procedures set by the Carrefour group, in particular as regards invoicing and collecting rent from tenants. This process is also based on dedicated lease and property management IT tools and applications developed for or by the Carrefour group.

3.4.3.4 Leasing

Dedicated internal teams are responsible for leasing activities. A compliance guide detailing the procedures to be respected is available for new and existing employees.

Sales teams and operating departments regularly monitor sales and marketing initiatives, enabling the Group's performance to be assessed by reference to indicators based on revenues, footfall, monthly signings and vacancy rates. A leasing plan drawn up annually for each site and approved by the Chief Operating Officer is regularly updated in accordance with changes on the site and in the market (new players, new opportunities, etc.). This action plan enables the rental grid to be reviewed to identify priority shopping units, listing vacant lots, renewals and terminations in order of priority. It is incorporated into the annual budget approved by the Board of Directors, which then uses it to monitor the Group's business during the year.

3.4.3.5 Asset maintenance and safety

Carrefour Property's teams regularly monitor the upkeep, maintenance and safety of assets under lease management and property management contracts. They do this by implementing a system setting out the safety compliance procedures to be respected at each of the Group's sites.

When acquisitions are made, Carmila and Carrefour Property teams will include the new assets in Carrefour group's insurance policy.

3.4.3.6 Crisis management

Carmila and the Carrefour group have set up a joint crisis management procedure to ensure that actions and communications during a major crisis affecting one of their shopping centres are consistent. A joint hotline is available to both groups' employees, which enables coordinated action and the consistent dissemination of information to all players concerned.

3.4.4 Preparation and processing of financial and accounting information

3.4.4.1 Organisation of the finance function

Internal accounting and financial control is primarily designed to ensure that:

- published accounting information complies with accounting policies;
- instructions and guidelines set by Executive Management are applied;
- fraud and accounting and/or financial irregularities are prevented and detected;
- the financial information published is reliable.

The risks involved with producing accounting and financial information can result from the accounting treatment of two categories of transactions:

- current transactions, for which controls must be carried out as closely as possible to the decentralised transactions;
- sensitive transactions, which may have a significant impact on the financial statements.

Carmila's Finance department is responsible for identifying the risks which affect the preparation of financial and accounting information and for taking the necessary measures to adapt the internal control system.

Carmila is supported by the Carrefour group under the service agreement covering accounting, tax and legal matters. The Group therefore relies on central teams and a specialist shared service centre model using standardised documents and procedures while allowing proper segregation of duties between operating and supervisory roles.

The Carmila Group's financial statements are consolidated by an internal team.

The property portfolio is valued when preparing the accounting and financial information using real estate appraisals performed by renowned independent appraisers drawing on recognised methods.

3.4.4.2 Operating process

The Finance department is responsible for compiling the operational, financial and accounting information needed in order to prepare the activity reports along with annual, half-yearly, quarterly and monthly regulatory information, where applicable. It therefore coordinates and supervises the work of service providers in order to prepare these reports.

The financial statements are prepared within the stipulated deadlines, in accordance with applicable laws and accounting standards.

The Group's accounting policies are defined in a document which is regularly updated and disseminated to all those involved in the process[1].

Consolidated financial statements are prepared in accordance with a detailed schedule and instructions that seek to ensure compliance with accounting deadlines and standards.

The Group's Finance department performs the following main controls when consolidating the financial statements:

- analysis and justification of changes in the scope of consolidation to ensure that the appropriate accounting method was applied;
- analysis and justification of consolidation adjustments.

The annual financial statements are audited by the Statutory Auditors. Half-yearly IFRS financial information is subject to a limited review. The Finance department coordinates the work with the Statutory Auditors. Financial and accounting information is reviewed and tested by the Statutory Auditors and presented to the Group's Audit Committee and then to the Board of Directors.

The Finance department verifies the completeness and consistency of Group's financial and accounting information, in particular by:

- controlling each stage of its production;
- monitoring internal reporting and analysing the differences with the budget approved by the Board of Directors.

Regarding internal control, the Finance department is also responsible for:

- participating in communication activities with regard to investors and the financial markets (press releases, website management, etc.);
- supervising delegated functions;
- conducting internal audit assignments within the Group;
- ensuring that the Group complies with its regulatory obligations in terms of tax matters and stock market regulations;
- informing the Audit Committee of the results of the internal audit assignments.

3.4.4.3 Financial reporting

The information collected and then published follows a process which guarantees data reliability and fairness. The aim of financial reporting is to provide ongoing information. Its purpose is to convey a clear, coherent message to enable investors to acquire an exact and precise understanding of the Company's value and its strategy. In this regard, the information compiled is reviewed for consistency and cross-checked jointly with the Statutory Auditors before it is circulated internally.

Different channels are then used to publish the financial information, including:

- Universal Registration Document;
- half-yearly press releases;
- half-yearly financial reports;
- Shareholders' Meetings;
- quarterly press releases on the Group's business and revenues; and
- regulatory information.

3.5 Legal and arbitration proceedings

In the ordinary course of its business, the Carmila Group is involved in legal and administrative proceedings and may be subject to tax and social security audits. The Carmila Group recognises provisions in its financial statements when, at the reporting date, it has a present legal or constructive obligation as a result of a past event which can be reliably estimated and whose settlement is likely to result in an outflow of economic resources. A description of provisions for litigation at 31 December 2021 is provided in Note 7.9 of section 6.1 "Consolidated financial statements for the year ended 31 December 2021" of this document.

At the date of this document, to the Group's knowledge, there are no governmental, legal or arbitration proceedings (including any proceedings of which Carmila is aware that are pending or with which it is threatened) that could have or have recently had a material impact on the financial position or profitability of Carmila and/or the Carmila Group.

3.6 Material contracts

As of the date of this document, no agreements (other than agreements entered into in the ordinary course of business) containing provisions entailing an obligation or significant commitment on the part of any Carmila Group entity for the Group as a whole had been entered into by Carmila or by any Carmila Group entity, with the exception of the agreements described in section 3.1.5.3 "Principal agreements with Carrefour group entities", section 2.4 "Financial policy", and in Note 11 "Related-party transactions" of section 6.1 of this document.

(1) *AMF Reference Framework for risk management and internal control systems (Sections IV 3.1.3 and 3.1.4).*

3.7 Research and development, patents and licences

3.7.1 Research and development

The Carmila Group does not conduct research and development activities. However, it is constantly seeking innovative solutions as part of its digitalisation strategy. The Carmila Group has created an internal incubator programme for innovation and digital startups. Thanks to digital tools (such as social networks, the digital customer experience and databases) developed in collaboration with Carrefour group teams, multi-channel pilot projects have been run in numerous areas, including customer relationship management (CRM) and data; relational, local and cross-channel marketing; new concepts and new businesses.

The Group does not hold any patents and therefore considers that it is not dependent on any trademarks, patents or licences for the conduct of its business or for its profitability.

3.7.2 Intellectual property

The Group's intellectual property rights consist mainly of rights to distinctive signs such as trademarks or domain names, in particular the semi-figurative "Carmila" EU brand, the figurative "M logo" brands, the semi-figurative "Cité Europe" brands, and domain names featuring "Carmila" for example. These intellectual property rights are registered, or are being registered, in the countries where they are used by the Group, in order to protect them in a manner appropriate to the activities concerned.

These rights are mainly held by Carmila and, for certain distinctive brands, used only in connection with the activity of a shopping centre by the entity of the Group managing that shopping centre.

4. Corporate social responsibility

4.1 CSR approach

Business model

Carmila is a real estate company dedicated to managing and enhancing the shopping centres and retail parks adjoining Carrefour group hypermarkets. Its portfolio consists of 214 shopping centres and retail parks located in France, Spain and Italy, worth a total of €6.2 billion. Its new strategic plan, presented to the market in 2021, is based on three pillars, sources of value creation for stakeholders: to be an incubator and omnichannel platform for retailers, to act as a leader in the sustainable transition of local regions and to invest in new activities linked to digital infrastructures and new retail concepts.

Our real estate portfolio, our talent, our financial strength, our partners and our environment are the main resources of this business model, which is directly aligned with new societal, demographic and business trends. In a sustainable vision, the protection of these resources is therefore essential for Carmila. In order to support this new business model, in late 2021, Carmila, having already committed to a voluntarily ambitious CSR strategy in 2017, decided to raise its objectives for climate protection even further.

CSR strategy

In 2021, Carmila launched its new strategic plan for 2022-2026. This plan reflects Carmila's new ambition to build sustainable growth and invest in new business lines.

This overall ambition for sustainable growth contains several major initiatives:

- Carmila is targeting “net zero” Scopes 1 & 2 carbon emissions by 2030, by which time it will have cut emissions by 90% versus 2019 through reducing energy consumption and transitioning to renewable energy for its centres. The remaining 10% of emissions will be offset, in keeping with the recommendations of the Science Based Targets initiative (SBTi). Carmila will also continue to reduce its Scope 3 emissions, with the aim of becoming fully carbon neutral by 2040;
- a pipeline of development projects redesigned to focus on environmental excellence and urban diversity. The five major expansion projects are based on the extension of the shopping centre and the creation of housing, green spaces, office space and renewable energy infrastructure, with no net use of greenfield land;
- development, in partnership with Carrefour, of around 20 sites suitable for big-bang mixed use transformation projects. These currently 100%-retail sites will become new neighbourhoods, with homes, offices, local services and green spaces;
- a new investment business line in digital infrastructure. By contributing to the government's goals of providing universal coverage, improving 4G and rolling out 5G, the Next Tower project is helping to reduce the digital divide and is completely aligned with Carmila's objective of contributing to the sustainable transformation of local regions;
- an objective of refreshing the merchandise mix of Carmila shopping centres, particularly around health. Healthcare will account for 15% of gross rental income by 2026.

These new initiatives complement a CSR strategy organised around the three focuses of the “Here we act” programme.

- Here we act for the planet: In particular, Carmila is committed to optimising its resource consumption, certifying the environmental quality of its assets and protecting biodiversity;
- Here we act for local regions: Carmila supports the local economy and is committed to building strong relationships with retailers in its centres and their customers. Carmila also invests in solidarity initiatives and in the development of new, more sustainable modes of consumption;
- Here we act for employees: Carmila encourages dialogue with employees and supports their professional development. Carmila also promotes diversity and is committed to raising awareness among employees of CSR issues.

Carmila's CSR strategy is also based on the United Nations Sustainable Development Goals (SDGs) pertaining to Carmila's business.

4.1.1 CSR organisation

4.1.1.1 CSR governance

Board of Directors’ CSR Committee

In 2020, Carmila's Board of Directors set up a CSR Committee to place environmental, social and societal issues at the heart of its initiatives.

Board of Directors’ CSR Committee	
Members	• Séverine Farjon, Independent Director (Committee Chair); • Nathalie Robin, Independent Director; • Maria Garrido, Independent Director; • Laurent Vallée, Director; • Marie Cheval, Chair and Chief Executive Officer.
Duties	In particular, the CSR Committee is responsible for: • examining Carmila’s CSR commitments and positions, their alignment with stakeholder expectations, their roll-out, and ensuring that CSR matters are properly taken into account; • assessing risks, identifying new opportunities, and analysing the impact of the CSR policy on financial performance; • reviewing the Group’s annual statement of non-financial performance; • reviewing the summary of the ratings awarded to the Company by ratings agencies and non-financial analysts; • identifying and discussing emerging CSR trends, and verifying that the Company is well prepared for the challenges specific to its business and objectives.
Frequency of meetings	Half-yearly (16 June and 29 November in 2021)

CSR department

The CSR department, consisting of a director, a manager and a project manager, proposes the strategy and objectives for validation by Executive Management and the Board of Directors' CSR Committee.

The CSR department is then responsible for the proper implementation of the strategy. It reports to Executive Management and leads all the CSR committees and networks.

Country CSR committees

In France, Spain and Italy, the CSR steering committees communicate CSR strategy to the operating departments. They report on achievement of the targets set by the Board of Directors' CSR Committee and meet on average twice a year.

CSR officer network and employees

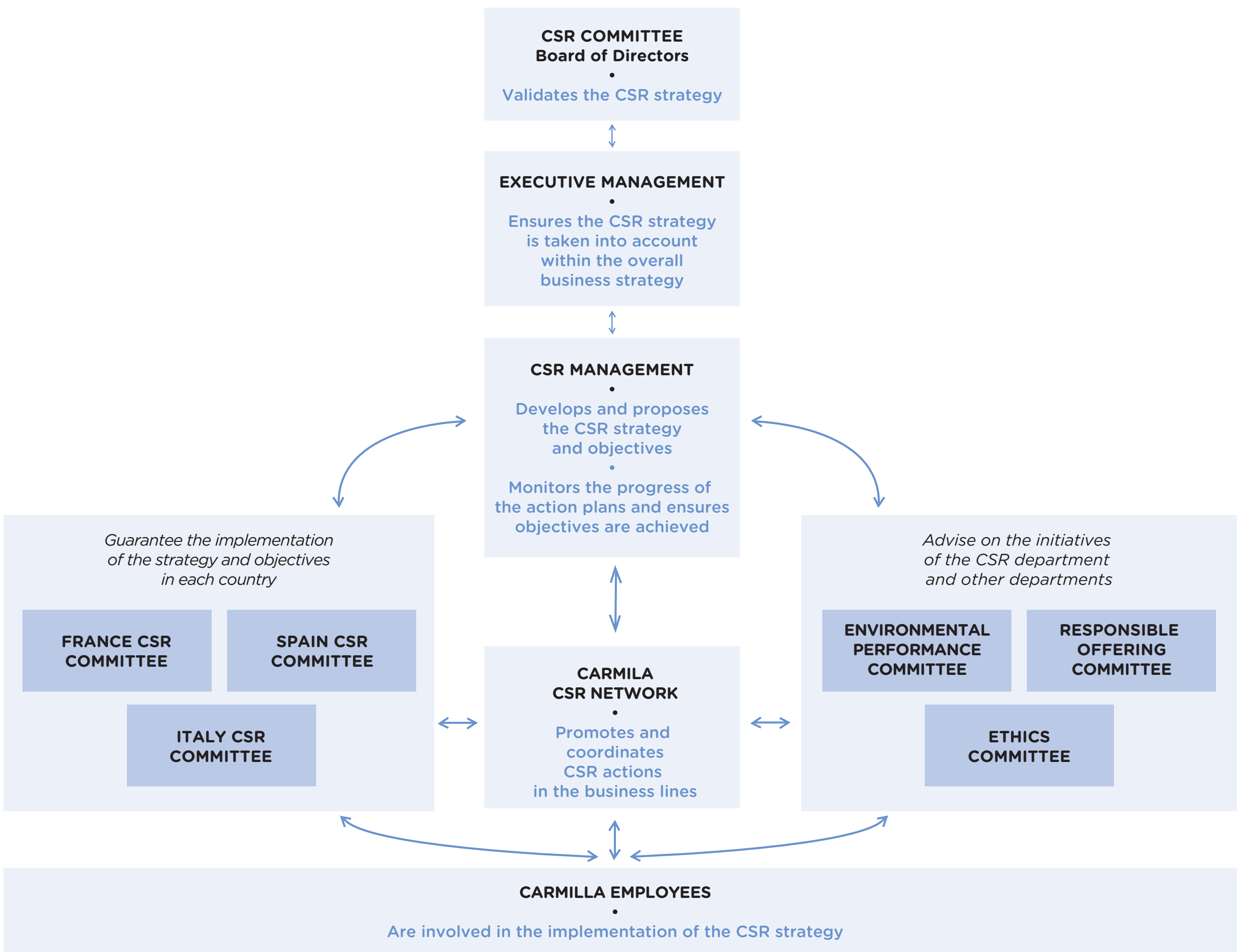
Across all business lines, the network of CSR officers promotes and coordinates CSR measures with Carmila employees.

Specific committees

Specific committees meet regularly to tackle priority issues:

- an Ethics Committee, to oversee compliance with ethical principles, run ethics initiatives and training programmes, and interact with the partners involved;
- an Environmental Performance Committee, to ensure that the technical investments proposed are in line with the CSR strategy;
- a Responsible Offerings Committee.

MANAGEMENT OF THE CSR APPROACH



4.1.1.2 Dialogue with stakeholders

Dialogue with stakeholders is organised and structured at all levels of the company, and the challenges of the CSR strategy are addressed:

Stakeholders	Carmila contact persons	Channel	Sustainable development issues
Retailers and tenants	Shopping centre management teams, leasing managers, operations managers, marketing	• Trade events and gatherings organised by Carmila: trade fairs (SIEC, MAPIC), meetings with chairs of charities and charitable associations • Negotiations on commercial leases • Ad hoc meetings	Energy saving, waste, societal events
Shareholders and investors	Investor Relations department	• Board of Directors and Annual General Meeting • Universal Registration Document • Roadshows and conferences • Shopping centre visits	All the KPIs in the CSR strategy
Visitors and customers	Shopping centre management teams	• Social and environmental initiatives • Omnichannel and digital communication, events in partnership with retail brands • Media (press releases and packs, organised visits)	Societal events
Local partners	Shopping centre management teams	• Proactive, ongoing relations, with involvement in projects within the catchment area • Local partnerships and national partnerships on a local level	Local region's societal issues
Employees	All Carmila departments, managers and the Human Resources department	• Employee surveys • Conventions, seminars • Internal communications • Schools and universities • Integration of new recruits • Relations with employee representative bodies	Awareness-raising events, commitment to actions in favour of sustainable development, community outreach
Carrefour group	All Carmila employees	• Property management mandate with Carrefour Property and other service agreements, twice-monthly joint Carmila/Carrefour Property management committee meetings	Synergies with the Carrefour Group's CSR department on environmental and societal issues
Service providers and suppliers	All Carmila employees in charge of purchasing	• Supplier Ethics Charter and Responsible Purchasing Charter • Calls to tender	All CSR issues included in the Responsible Purchasing Charter

4.1.1.3 Sector-specific initiatives and charters supported by Carmila

Carmila is active in various national and international sectoral organisations, particularly in the field of sustainable development. This participation is essential to capitalise on good practices and follow developments in business lines.

The Group participates in the following:

- The French shopping centre trade body

  (Conseil National des Centres Commerciaux – CNCC). Carmila actively participates in the sustainable development committees and technical committees, ensuring the sharing of best practices and monitoring in these areas.

  Marie Cheval, Chair and Chief Executive Officer of Carmila, has also been Vice-Chairman of the CNCC since 2021.

- French Federation of Real Estate and Property Companies (FSIF)[1]

  The FSIF brings together real estate operators that build, rent and manage real estate (offices, stores, hotels, logistics warehouses, housing, student residences and nursing homes). Carmila is an integral part of the Federation's discussion groups on sustainable development.

- Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable – OID)

  The OID aims to promote sustainable development and innovation in real estate. Carmila has joined various discussion groups on a variety of issues such as energy performance and carbon, sustainable finance, biodiversity and resilience.

- The Global Compact

  The Global Compact is a United Nations pact to which Carmila has been a signatory since 2019. It promotes 10 universal principles in relation to respect for human rights, labour standards, the environment and the fight against corruption. The Group publishes an annual Communication on Progress to assess the actions implemented and their success.

- The Global Reporting Initiative

  GRI is an independent international organisation that sets reporting standards to help companies and governments better communicate their impacts on CSR issues. Carmila is one of the participating companies.

- The gender equality in real estate charter (La Charte d'engagement en faveur de la parité et de l'égalité professionnelle Femmes Hommes dans les entreprises et les organisations du secteur immobilier), which Carmila signed up to in November 2021.

(1) *Became the Federation of Real Estate Companies (FEI) in early 2022.*

4.1.2 CSR challenges and opportunities

4.1.2.1 Risk identification and mapping

The issues and risks were pre-selected in light of the topics set out in Articles L. 225-102 and R. 225-105 of the French Commercial Code (*Code de commerce*), the relevant major international standards (ISO 26000, Global Compact), sector studies (benchmark of CSR risks, collective CSR risk analysis with the real estate companies members of the French shopping centre trade body (CNCC), and ESG reporting frameworks.

Non-financial risks are reviewed once a year as part of the Audit Committee's activities to ensure the effectiveness of risk management systems and to assess risks, risk levels and procedures to guard against them.

Details on risk management are set out in chapter 3, section 3.2 "Risk factors", with an outline of the main risk factors, impacts and mitigation measures.

In response to the non-financial reporting requirements introduced by French order No. 2017-1180 of 19 July 2017 transposing European Directive 2014/95/EU on the publication of labour and environmental information, in 2018 Carmila produced a map of gross non-financial risks, working on input from across all business lines.

In 2021, the risk update was carried out in a comprehensive manner by integrating financial and non-financial risks. The Audit Committee validated the new risk map, which now has an "Environmental and Societal" category and a direct link to other non-financial risks.

Some of the non-financial issues listed in Article L. 225-102 of the French Commercial Code have not been included in the list of main risks because Carmila's activity has no impact on these issues: the fight against food waste, the fight against food insecurity, respect for animal welfare, respect for responsible, fair and sustainable food.

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 1. Energy and greenhouse gas emissions	Greenhouse gas emissions aggravate climate risks, entailing tensions in fossil fuels, with repercussions on operating costs, sourcing capacities and financial difficulties.	Reduction in greenhouse gas emissions is a two-stage process: optimise consumption, then seek "green" alternative energy sources to lessen the carbon impact. Efficient energy management and energy saving measures are therefore called for.	Customers, visitors, shareholders and investors	High	Medium/high	4.2.1 Combating climate change
CSR 2. Waste management and the circular economy	Waste management risks are regulatory and financial in nature, as with the cost excess arising from poor waste sorting, for example.	Efficient waste management, and the ensuing operating cost reduction, comes through optimisation and recovery practices under a circular economy approach. This issue can also be a choice factor for certain demanding retailers.	Customers, visitors, shareholders and investors	High	Medium	4.2.2 Conserving natural resources
CSR 3. Biodiversity	Potential link between new projects and biodiversity damage and land degradation raises risks of local communities finding projects unacceptable and project development being refused.	Biodiversity protection must be factored in, to ensure sites are attractive and eco-friendly, and boost acceptance of projects among local communities.	Customers, visitors and elected officials	Medium/high	Medium	4.2.2 Conserving natural resources
CSR 4. Water management	Water management raises financial risks in terms of both direct costs and possible restrictions on water use.	Optimised water management leads to cost reductions and greater attractiveness for demanding tenants.	Customers, suppliers and visitors	Medium	Low/medium	4.2.2 Conserving natural resources

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 5. Resilience and green value	Asset resilience risks may be physical (increasingly frequent extreme weather incidents, changes in global physical variables) or transitional (regulations, market conditions, reputation). They can have a direct financial impact on operating or insurance costs and an indirect impact arising from eroded attractiveness to visitors, retailers and investors.	Resilience is an important factor in an asset's green credentials, and can facilitate access to certain types of financing and improve long-term asset value.	Customers, visitors, shareholders and investors	Medium/high	Medium	4.2.3 Green value
CSR 6. Dialogue with customers (tenants and visitors)	A poor understanding of how customers (tenants and visitors) perceive Carmila services entails a high risk of loss of appeal.	Ongoing dialogue, on the other hand, strengthens relationships, for a closer fit to customer expectations.	Customers, suppliers and communities	High	Medium/high	4.3.1 At the heart of the local economy 4.3.2 Our role as a corporate citizen
CSR 7. Local integration and development	Local economic vitality and regional roots are essential factors for retailers, visitors, and Carmila's business to thrive. Poor integration in the local surroundings will diminish a centre's attractiveness and hinder development projects.	Contribution to local economic development helps catchment areas to thrive and grow.	Customers, employees, tenants, visitors	High	Medium	4.3.1 At the heart of the local economy 4.3.2 Our role as a corporate citizen
CSR 8. Health, safety and security	As well as potentially leading to cost penalties and eroded attractiveness, health, safety and security risks can also jeopardise the centre's reputation and the Group's image.	Health and well-being are key concerns of our retailer and visitor customers. Initiatives on these subjects are a source of appeal and positive impact.	Suppliers, tenants, customers and visitors	High	Medium	4.1.2.3. Summary of the CSR strategy
CSR 9. Diversity	Failure to comply with anti-discrimination legislation carries a legal risk which, on top of disciplinary and criminal sanctions, can jeopardise the Group's reputation with all stakeholders.	Diverse profiles are a source of dynamism that contribute to improving innovation and understanding of societal market challenges.	Employees	Medium/high	Medium	4.4.1 Foster diversity
CSR 10. Talent management and engagement	Poor talent management in employees' career paths or in employee engagement can hinder team advancement and recruitment of new personnel. This can stand in the way of Carmila meeting its objectives.	Employee well-being and engagement are conducive to productivity, competitiveness and innovation.	Employees	Medium	Low/medium	4.4.2 Talent retention and engagement

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 11. Responsible purchasing	Failure to comply with ethics and responsibility rules carries legal and disciplinary risk which, on top of penalties and sanctions, can jeopardise the Group's reputation and lead to disputes with stakeholders.	A clear, responsible purchasing policy provides an opportunity to develop supplier responsibility, and a more resilient value chain. It also ensures consistency between the Group's CSR strategy and those of its supplier partners.	Suppliers, tenants, customers, visitors and employees	High	Medium	4.1.3.2. Responsible value chain
CSR 12. Ethics	Involvement in a case of corruption or money laundering could carry major reputational, financial and legal risks, and could even lead to business failure.	Across-the-board employee training and awareness-raising develops transparent, trust-based relationship.	All stakeholders	Medium	Low	4.1.3.1. Ethics and respect for human rights

2021 RISK MAP

	Category	Risk factors	Risks in CSR map
1	Carmila's business sector	Developments in the commercial real estate market	
2		Trends in the socio-economic and competitive environment	CSR 7
3		Geopolitical environment	
4	Carmila's operations	Health (incl. health risk), well-being, safety and security.	CSR 6 and CSR 8
5		Relationship and exposure to retail brands, counterparty risk	CSR 6
6		Property development	CSR 6, CSR 7 and CSR 11
7		Information systems and personal data security	
8	Legal and ethical	Regulatory and legal developments	
9		Ethics-, corruption- and fraud-based risks	CSR 11 and CSR 12
10	Financial	Cost of and access to financing and financial markets	
11		Taxation and REIT, SIIC and SOCIMI regimes	
12	Environmental, climate and societal	Environmental, climate and societal issues	CSR 1, CSR 2, CSR 3, CSR 4, CSR 5 and CSR 7
13		Talent management and engagement (recruitment, retention and succession)	CSR 9 and CSR 10

4.1.2.2 Compliance with non-financial reporting standards and benchmarks

Since 2018, in accordance with Decree No. 2017-1265 of 9 August 2017, the transposition into French law of the European Directive of 22 October 2014 on the publication of non-financial information, Carmila has published its Non-Financial Performance Statement, which corresponds to chapter 4 of the Universal Registration Document. At the end of the chapter a concordance table of CSR indicators is provided that contains the requisite data for the EPRA, GRI and TCFD reporting guidelines.

Standards

- Application guide of the French shopping centre trade body (CNCC).
- GRI (Global Reporting Initiative), EPRA (European Public Real Estate Association) and TCFD (Task Force on Climate-related Financial Disclosures) guidelines.

4.1.2.3 Summary of CSR strategy indicators

CSR issues	Risk in CSR map	Carmila strategy	Objectives	Indicators	2021 results	SDG
			HERE WE ACT FOR THE PLANET			
Step up action to combat climate change	CSR 1 – ENERGY AND GREENHOUSE GAS EMISSIONS	Roll out a low carbon strategy	2021 objectives: • Define carbon trajectory and operational schedule • Have the carbon strategy certified by SBTi • 50% reduction in absolute Scopes 1 & 2 GHG emissions by 2030 (versus 2019) *New objectives:* • *Net zero emissions from Scopes 1 & 2 by 2030* • *Net zero emissions from Scopes 1, 2 & 3 by 2040 with a maximum 10% offset*	GHG emissions	• 10% reduction in GHG Scopes 1 & 2 emissions compared to 2019 (location-based) • 61.3% reduction in Scope 3 GHG emissions compared to 2019 • Validation of Carmila's carbon trajectory by the SBTi	13 CLIMATE ACTION
		Stabilise and continue progress in reducing energy consumption	• 40% reduction in energy consumption by 2030 (versus 2019)	Energy consumption and energy intensity in common areas	15.4% reduction in energy intensity compared to 2019	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
		Promote eco-mobility	• Offer eco-mobility solutions in 100% of shopping centres by 2025, within a radius of 500 metres of the shopping centre	Percentage of shopping centres with at least one eco-mobility solution within a radius of 500 meters of the shopping centre	• 95.1% of shopping centres located within 500 metres of a public transport link • 97.3% of shopping centres have at least one eco-mobility solution within 500 metres of the shopping centre	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Adopt a more frugal approach to the use of resources	CSR 2 - WASTE MANAGEMENT AND THE CIRCULAR ECONOMY	Increase waste recovery to integrate circular economy principles	• 100% material and energy waste recovered by 2025	Waste recovery rate	59% of waste recovered	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	CSR 3 - BIODIVERSITY	Protect biodiversity	• Draw up a Biodiversity Charter for shopping centres • Introduce biodiversity initiatives (such as responsible landscaping maintenance) at all our shopping centres by 2023	Percentage of centres running biodiversity initiatives, such as a responsible practices charter for Green Space maintenance contracts	• 45% of the shopping centres have implemented an initiative to protect biodiversity • 12 centres have committed their service provider to a responsible maintenance approach by signing a Biodiversity Charter	15 LIFE ON LAND
	CSR 4 – WATER MANAGEMENT	Optimise water consumption	• Reduce water consumption to below 1 litre per visitor by 2025	Water intensity	0.99 l/visitor (reported scope)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CSR issues	Risk in CSR map	Carmila strategy	Objectives	Indicators	2021 results	SDG
Improve the resilience of our assets and their green value	CSR 5 – RESILIENCE AND GREEN VALUE	Set up a climate resilience action plan	• Conduct analysis of climate risks across all assets by 2022 • Adaptation plan and resilience solutions for 100% of assets exposed to climate change risk by 2025	Percentage of risk-exposed centres with an adaptation plan and resilience solutions	Validation of resilience solutions by Property Management for the most exposed assets	
		Extend scope of certifications	2021 objective: • 100% of centres BREEAM-certified by 2025 *New additional objective:* • *100% of shopping centres rated Very Good by 2030*	Environmental certification rate	93.4% of our shopping centres in value were BREEAM certified and 57% were rated Very Good BREEAM In-Use at end-2021	
HERE WE ACT FOR LOCAL REGIONS						
Support and consolidate the local economy	CSR 6 – DIALOGUE WITH CUSTOMERS AND RETAILERS	Promote actions in favour of employment – Run surveys to assess the impact on customers and visitors	• 100% of shopping centre management teams offer at least one employment initiative *Objective extended to 2022*	Percentage of shopping centres with centre management having an employment initiative	100% of shopping centre management teams ran employment initiatives	
	CSR 6 – DIALOGUE WITH CUSTOMERS AND RETAILERS/ LOCAL INTEGRATION AND DEVELOPMENT	Encourage responsible offerings	2021 objective: • At least 30% of centres providing a second-hand responsible offering *New objective:* • *At least 38% of centres providing a second-hand responsible offering in 2022*	Percentage of shopping centres having a second-hand responsible offering	23 shopping centres or 38.7% of shopping centre management teams had a responsible second-hand offering	
	CSR 6 – DIALOGUE WITH CUSTOMERS AND RETAILERS/ LOCAL INTEGRATION AND DEVELOPMENT	Maintain quality dialogue with retailers	2021 objectives: • Run surveys to invite regular input from all retailers • Ensure all retailers are informed about support services: at least 70% by 2021 *New objectives:* • *Interview all retailers on a regular basis via a survey scheme and monitor the Group NPS*	Percentage of retailers informed about support services (primarily the marketing Kiosks)	63% of retailers surveyed aware of the support tools available (such as the marketing Kiosks)	
	CSR 6 – DIALOGUE WITH CUSTOMERS AND RETAILERS/ LOCAL INTEGRATION AND DEVELOPMENT	Maintain quality dialogue with customers	2021 objectives: • Maintain a broad scope of dialogue channels: surveys, responding to online reviews, on-site dialogue, and enhance the customer experience *New objectives:* • *Maintain a broad scope of dialogue channels: surveys, responding to online reviews, on-site dialogue* • *Monitor and improve the reliability of the Group NPS*	Customer and visitor satisfaction rate	86.8% of customers and visitors at Group level are satisfied overall	

CSR issues	Risk in CSR map	Carmila strategy	Objectives	Indicators	2021 results	SDG
Fulfil our role as a corporate citizen	CSR 7 - LOCAL INTEGRATION AND DEVELOPMENT/ HEALTH, SAFETY, SECURITY	Promote CSR events	• Run at least one CSR event per centre by 2022 • Release a "Here we act" album by 2021 to spotlight shopping centre CSR events	Percentage of centres running one or more CSR events during the year	• 99% of shopping centres with a centre management team ran a CSR event • A "Here we act" album was launched in 2021	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	CSR 7 - LOCAL INTEGRATION AND DEVELOPMENT/ HEALTH, SAFETY, SECURITY	Take part in community outreach events	2021 objective: • Get involved with the local community for a good cause *New objective:* • *100% of the shopping centre' management teams committed to a community outreach cause by 2022*	Percentage of centre management teams engaged on a community outreach cause	• 95.1% of shopping centres with a centre management team carried out a community outreach initiative • Partnership agreement signed with Chemins d'avenirs	10 REDUCED INEQUALITIES
HERE WE ACT FOR EMPLOYEES						
Foster diversity	CSR 9 - DIVERSITY	Diversity: from recruitment and throughout the career path	• Diversify recruitment methods and have more than 10% of the total workforce on work-study programmes Train senior executives and managers on issues of cultural bias by 2022 • Awareness raising campaign on the issue of disability • Draw up a Responsible Recruitment Charter	Percentage of workforce formed by people on work-study programmes	• 25% of workforce formed by people on work-study programmes in France • Training of manager trainers	10 REDUCED INEQUALITIES
	CSR 9 - DIVERSITY	Diversity: actions promoting gender equality	Equality index at 90/100 Group-wide by 2022 Draw up and sign an agreement on Diversity which includes measures promoting gender equality in the workplace	Group-wide equality index	Group-wide equality index at 94/100	5 GENDER EQUALITY
Develop employee potential	CSR 10 - TALENT MANAGEMENT AND ENGAGEMENT	Develop employees' potential	• Enhance the induction process (mentoring) Offer at least one training course to all employees • Hold at least one review per employee annually to address career outlook	Percentage of employees who had access to training Percentage of employees who had an annual review Number of employees promoted or transferred internally	• At least one training course was offered to 100% of employees and 79.6% received training. • Integration Week in webinar format for all new hires Systematic mentoring scheme for employees on permanent contracts • Annual reviews held with 98% of employees on permanent contracts • 15 employees benefited from promotion or an internal transfer within the Carmila/Carrefour groups	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION

CSR issues	Risk in CSR map	Carmila strategy	Objectives	Indicators	2021 results	SDG
Foster employee engagement and co-build Carmila's future	CSR 10 – TALENT MANAGEMENT AND ENGAGEMENT / HEALTH, SAFETY AND SECURITY	Foster employee engagement through quality dialogue to build the future of Carmila together	Run employee satisfaction surveys and track NPS	Satisfaction survey score and NPS	• 28 meetings with staff representatives, at least one per month • 89% of employees express satisfaction with their jobs and with the Company • Global NPS +17	3 GOOD HEALTH AND WELL-BEING
	CSR 10 – Talent management and engagement	Raise awareness of CSR issues	• Continue to provide at least one awareness-raising action per half year • Attach new CSR indicators to the calculation of the variable portion of employee compensation	Percentage of managers trained in CSR strategy Frequency of CSR awareness-raising initiatives	• 100% of managers trained in the 2021 CSR strategy • Six CSR awareness-raising initiatives were run during the year (one in April, one in July and four in September for the Sustainable Development Week)	4 QUALITY EDUCATION 13 CLIMATE ACTION
Responsible purchasing	CSR 11 - RESPONSIBLE PURCHASING	Develop and implement a Responsible Purchasing policy	• All delegated works contracts in France incorporate the Ethics Charter • Set up and roll out a responsible purchasing policy by 2021 • Achieve a local purchasing index score of above 60% for construction purchasing	Share of works contracts incorporating an ethics charter Local purchasing index operational on current project contracts	• All contracts under delegated works contracts in France are subject to the Ethics Charter • Creation and validation of Carmila's Responsible Purchasing Charter • Local purchasing index operational in 64% of current project contracts	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Ethics	CSR 12 - ETHICS	Conduct all activities ethically	Provide specific training for 100% of employees exposed to corruption risks	Percentage of employees exposed to risks of corruption or influence-peddling having received specific training	All employees exposed to ethical risks have received training	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Health, well-being, safety and security risks (CSR 8)

Health, well-being, safety and security risks are also among the major risks in the overall risk matrix detailed in chapter 3.

The definition of these risks as well as the control and mitigation measures are detailed in section 3.2.2.

In order to ensure the safety of its shopping centres, Carmila carries out safety audits on a sample of its portfolio each year. In 2021, 29% of Carmila's sites were audited, with an average score of 96%.

Carmila also audited the health crisis measures implemented to welcome customers and retail operators in the best possible conditions. All Carmila shopping centres hold the Covid-19 hygiene measures AFNOR Certification label.

4.1.2.4 Overall CSR performance

Results of the assessments and alignment with key non-financial standards

Carmila undertakes every year to highlight the non-financial performance of its portfolio and its strategy by participating in the ESG assessments made by non-financial rating agencies.

For several years now, regular improvement in the Group's ratings by the GRESB (Global Real Estate Sustainability Benchmark) and CDP (Carbon Disclosure Project) has testified to the quality of Carmila's action plans and achievements.

	Carmila		
Agencies	**2019**	**2020**	**2021**
GRESB – Standing Investment	71/100	80/100	84/100
GRESB – Development	-	88/100	94/100
CDP	-	A-	A-
EPRA code	Silver	Gold	Gold
Sustainalytics	-	-	13 – 112/1004
MSCI	-	BBB	BB
GAIA	77/100	80/100	81/100
ISS	D+	-	C
Vigeo	53/100	54/100	54/100

Once again in 2021, Carmila's strategy was recognised:

- GRESB Real Estate Assessment - Standing Investment Benchmark:

  Carmila confirmed its position and increased its score by four points. For the second year in a row, the Group was awarded a "4-star" rating.
- GRESB Real Estate Assessment – Development Benchmark:

This year, Carmila became the European leader in the Property development category.

- CDP:

  For the second year in a row, Carmila was included in the CDP's A-list. Carmila's scores improved significantly in the categories assessing carbon footprint, moving from B- and C to A.
- For the fourth year in a row, Carmila received a Gold level BPR Award from EPRA for the quality and transparency of its financial information and, for the second year, a Gold level sBPR Award for the quality of its non-financial performance statement.

4.1.3 CSR governance issues

4.1.3.1 Ethics and respect for human rights

Carmila signed the United Nations Global Compact in 2019, taking up its Sustainable Development Goals to ensure that its CSR strategy addresses global challenges as closely as possible. Respect for human rights, labour standards, the environment and the fight against corruption are the prime objectives of Carmila's CSR approach.

Ethical risks are identified in the risk matrix in Chapter 3 and in the CSR risk map. As explained in the risk control and mitigation actions as well as in the description of the internal control system in sections 3.2.3. "Legal and ethical risks" and 3.4.2. "Internal control system" of this Universal Registration Document, Carmila has an Ethics Committee, a Code of Professional Conduct and a whistleblowing system for all three countries.

Carmila's anti-corruption and anti-money laundering system is based on the Carrefour group's charter, taking into account the French law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and modernisation of the economy (the "Sapin II" law, as amended) and the French order no. 2016-1635 of 1 December 2016 which strengthens French anti-money laundering and terrorist financing legislation.

The risks of influence peddling and corruption have been mapped. On this basis, a training programme supported by physical documentation was developed for the employees most exposed to these risks. In-class and remote training sessions are rounded out by the CapFormation e-learning module that is permanently available to all employees. The training materials are updated at least once a year to take into account legislative and regulatory developments and current events. All new employees are invited to take this module.

A policy for fighting corruption and influence peddling was defined and presented to the employee representative bodies in France. This document was incorporated into the internal regulations of the Carmila/Carrefour Property Gestion economic and social unit ("Appendix to the internal regulations – Policy for fighting corruption and influence peddling").

Ethics Committee

In addition to its annual session, the Ethics Committee is convened whenever necessary. The main missions of the Ethics Committee are:

- ensure the ethical principles are published and that the conditions are in place to ensure employees are familiar with them, understand them, share them and comply with them;
- ensure that the Group's ethical principles and "Policy for fighting corruption and influence peddling" are duly disseminated and posted on the intranet;
- ensure that the associated training sessions are rolled out;
- organise the whistleblowing procedure and ensure that it functions effectively and that reports are processed independently in full compliance with the law;
- discuss and implement the action plan on the main ethical issues affecting the business in order to remain one step ahead in the process and obtain a broader view of issues;
- advise directors on any issue relating to the application of or compliance with the Group's ethical principles;
- oversee and regularly assess the effectiveness of the system, especially as regards the reach of employee training on anti-corruption, business ethics and the whistleblowing procedure;
- validate the financial sponsorship projects that may be proposed by the various Group departments.

Code of Professional Conduct

Carmila and the Carrefour group released a joint Code of Professional Conduct in 2017.

All business line procedures and associated rules regarding corruption, fraud and money laundering are set out in "Business line procedures" manuals, which describe the different operating functions, as well as the rules of conduct and main procedures applicable to each business line. Every year, all of Carmila's risk-exposed employees are required to sign a statement of independence and, where necessary, a review of interests. Training on best practices aimed at fighting fraud, corruption and influence-peddling is provided to the Executive Committee, all of whom are exposed employees. A digital version is permanently available online for all employees. Each country adapts the training programmes in order to fine-tune prevention and to comply with local legislation and regulations.

Whistleblowing procedures for combating corruption, money laundering and conflicts of interest

Carmila is included in the whistleblowing procedure implemented by the Carrefour group that allows stakeholders to flag breaches of ethical principles, particularly concerning fraud, corruption and conflicts of interest. This procedure includes a dedicated hotline for each country and a website for notifying reports. It is open to all employees and third parties that have dealings with the Group. Confidentiality and anonymity are guaranteed at all stages of the whistleblowing process.

In 2021, a new training course on ethics and the French Sapin II law drafted by the Carrefour Property compliance officer was made available online on the CapFormation training platform.

All employees in France have received the "Our ethical principles" and "Policy for fighting corruption and influence peddling" brochures.

All risk-exposed employees on permanent contracts have signed the statement of independence. Some employees also had to complete a review of interests, none of which resulted in a managerial decision to adapt their position.

PROPORTION OF EMPLOYEES WHO RECEIVED TRAINING ON ETHICAL RISKS

	2019	2020	2021
Number of employees exposed to risks	101	140	175
Number of employees trained	95	130	175
Proportion of risk-exposed employees who received training	94.06%	92.86%	100%

Respect for human rights

Carmila pays particular attention to respect for human rights, which is an integral part of the policies of several departments, including the Human Resources and Purchasing departments.

Carmila promotes compliance with the provisions of the International Labour Organization's fundamental conventions regarding:

- freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation;
- fair remuneration;
- well-being at work (of particular relevance during the Covid-19 crisis period);
- elimination of forced and compulsory labour;
- effective abolition of child labour.

4.1.3.2 Responsible value chain

Carmila's purchases mainly involve services. Purchases for site development and renovation projects are made through delegated project management arrangements, and operational management purchases are made through the real-estate operation teams at Carrefour Property Gestion.

For all Carmila brand purchases, investment purchases and operating purchases, Carmila requires its suppliers to comply with an Ethics Charter. Requirements include adherence to the eight main conventions of the International Labour Organization (ILO) and the principles of the UN Global Compact.

By signing the charter, they agree to adhere to the following five principles throughout all stages of the commercial relationship:

- comply strictly with legislation, on human rights in particular;
- avoid any infringement of competition law;
- avoid conflicts of interest;
- reject any corruption;
- guarantee confidentiality.

The signing of this charter is verified by Carrefour's internal audit and by a spot external audit conducted by independent audit firms selected by Carrefour. The INFANS Advisory

Committee may also carry out or commission ad-hoc verifications.

These external independent ad hoc verifications are carried out confidentially unless the committee, considering its recommendations have not been applied satisfactorily, and within four months of issue, decides to make the findings public.

Responsible Purchasing has been identified as a material issue in Camila's CSR strategy. After conducting an assessment of company purchasing practices and setting up working groups to arrive at a clear vision on responsible purchasing, Carmila drew up a Responsible Purchasing Charter in 2021. This charter was defined in line with Carmila's CSR strategy, the recommendations of industry organisations and the expectations of ESG rating agencies.

This document commits all suppliers or service providers under contract with Carmila to a more responsible approach. The charter contains four parts:

- mutual commitments between Carmila and the supplier, including ethical obligations;
- environmental impact management, detailing the measures to be implemented in relation to energy, carbon, waste, resources, biodiversity and product quality management;
- employment and local integration, covering the legal framework for employment, diversity and fighting discrimination, inclusion, employee training and local proximity;
- responsible commitments, with reference to the importance of shared responsibility throughout the supplier's value chain.

This charter covers all the types of purchases made by Carmila, as well as purchases made for Carmila as part of works contracts or in relation to the operation of its shopping centres. In addition to this contractual document, Carmila has developed and continues to develop specific tools for certain categories of purchases.

In particular, since 2020, in France, investment purchases on project development made through delegated project management have the following tools:

- a CSR questionnaire to assess suppliers' CSR performance (initial test at Laval during call-to-tender phase);
- CSR appendices for structural work, road works and service connections.

In 2021, a Responsible Purchasing approach was incorporated into the selection of Christmas decoration service providers: during the tender phase, service providers had to fill in a questionnaire describing their CSR practices, clauses linked to Carmila's CSR strategy were added to the specifications and a CSR score was awarded and taken into account in the final selection process.

In addition, existing good practices have been maintained:

- A local purchasing index has been in operation for the last three years. Insofar as possible, Carmila and its partner Carrefour Property Gestion are keen to promote local businesses when carrying out extension, renovation and construction works. Local contractors accounted for around 64% (€20 million) of the 83 lots awarded on current projects in 2021.
- Clause on employment openings for people who have difficulty accessing the job market: Carmila includes an administrative clause in its contracts to promote social integration through employment. Contractors for the main lots (in value and number of hours worked) must allocate 5% of the total number of hours worked on the project to target groups in support of their professional integration.
- Safety and legal compliance of construction sites is covered by a prevention and control system. At each site, a health and safety officer oversees safety across all the contractors involved. To ensure the highest customer safety, the contract drafted by Carmila expands the health and safety officer's remit beyond the site itself. In accordance with French Duty of Care law, Carmila requires all contractors working on its sites to provide documents attesting to the legality of their activities, legal coverage of employees, and valid insurance coverage. On its extension projects, Carmila calls in additional services to monitor staff working on the site and verify their identity. The aim of these regular, unannounced checks is to prevent undeclared subcontracting and avoid calling upon personnel who cannot be checked through the building industry ID card.
- Carrefour's Supplier Ethics and Social Charter is systematically appended to all works contracts under delegated management.
- The Green Construction Site Charter drafted in France covers 100% of Carmila construction sites under delegated project management. This charter is signed by all contractors. It forms the framework for practices at the construction site regarding any soil and air pollution, areas designated as requiring special protection on ecological grounds, minimum impact of noise and vibrations on the local community, and minimum on-site water and energy consumption.

4.2 Here we act for the planet

The real estate sector is having to adapt to climate change and the increasing scarcity of natural resources to respond to environmental, societal and regulatory requirements.

In 2020, Carmila launched an environmental performance audit campaign on some ten French assets to define new objectives for the environmental component of its CSR strategy. In 2021, the approach was extended to ten or so Spanish and Italian sites.

The strategy's main environmental indicators were audited by Ernst & Young, covering the carbon footprint, energy efficiency, biodiversity, waste management, water consumption and mobility. The objectives of this second campaign were to:

- prepare a performance review;
- benchmark best Spanish and Italian industry practices;
- define realistic schedules and budgets to achieve the objectives set out in the Group's roadmap.

4.2.1 Combating climate change

4.2.1.1 Low carbon strategy

Definition

In terms of construction and site operation combined, buildings account for around 20% of global greenhouse gas emissions with a direct impact on climate change. This sets a major challenge for Carmila, which has committed to a low carbon strategy in line with the Paris Agreement. In 2021, following the latest IPCC (Intergovernmental Panel on Climate Change) report and as part of its new strategic plan for sustainable growth and development, Carmila strengthened its greenhouse gas reduction ambitions.

Policies

In 2020, Carmila had set itself the goal of having its low-carbon strategy certified by the Science Based Target initiative while continuing to fine-tune its greenhouse gas emissions analysis.

In the context of COP26 and following the definition of net-zero emissions by the SBTi, Carmila decided to reinforce its ambitions with new commitments:

- achieving net-zero emissions by 2030 on Scopes 1 & 2 direct emissions;
- achieving net-zero emissions by 2040 across its entire carbon footprint;
- limiting itself to offsetting no more than 10% of its emissions.

Action plans

In 2021, Carmila continued to improve the accuracy of its carbon footprint calculation, in particular Scopes 1 & 2 and the item related to energy consumption. The Scope 3 calculation was extended to all three countries. The methodology was adjusted and the changes were applied retrospectively to previous years to highlight clear findings on the Group's evolving carbon impact.

Following the environmental audits carried out in Spain and Italy, Carmila extended its carbon impact reduction plan to its entire portfolio. Once the improvement drivers were set, the first calls to tender and action plans were rolled out. Actions covered the main items in all scopes, with examples including:

- Energy:
  - measures on energy efficiency on assets in all three countries (Scopes 1 & 2);
  - energy efficiency improvements in private areas (Scope 3);
  - use of a green electricity supplier for a portion of the Spanish assets.
- Waste:
  - improved waste separation and recovery rates (Scope 3).
- Mobility:
  - installation of electric vehicle charging stations and eco-mobility solutions for visitors (Scope 3).
- Purchases and services, construction:
  - systematic life-cycle analysis on new construction, extension and major renovation projects.

OUTCOMES

The 2019-2030 carbon trajectory was validated by the SBTi:

- a 1.5°C trajectory for Scopes 1 & 2 with a 50% reduction in emissions;
- a 2°C trajectory for Scope 3 with a 13.5% reduction in emissions from this scope (corresponding to emissions upstream and downstream from its value chain).

BREAKDOWN OF GHG EMISSIONS BY SCOPE AND ITEM FOR THE THREE COUNTRIES – REPORTED SCOPE

	Unit	2019	2020	2021
Total Scope 1 GHG emissions	**$ktCO_2e$**	**7.7**	**7.2**	**8.4**
Refrigerant leaks	$ktCO_2e$	<1	<1	<1
Company vehicles[1]	$ktCO_2e$	<1	<1	<1
Location-based – Energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	6.7	6.6	7.1
Total Scope 2 GHG emissions (market-based)	**$ktCO_2e$**	**28.7**	**25.9**	**16.7**
Location-based – Energy consumption of common and private areas using shared equipment under direct management by Carmila	$ktCO_2e$	18.4	16.3	15.0
Market-based[2] – Energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	28.7	25.9	16.7
Total Scope 3 GHG emissions with significant control[1]	**$ktCO_2e$**	**52.4**	**19.3**	**30.6**
Waste [3]	$ktCO_2e$	4.8	4.1	10.8
Purchases	$ktCO_2e$	9.8	9.5	11.5
Employee transport	$ktCO_2e$	<1	<1	<1
Construction	$ktCO_2e$	37.3	5.4	8.1
Total Scope 3 GHG emissions with low control (market-based)	**$ktCO_2e$**	**886.8**	**612.3**	**542.3**
Location-based – Upstream portion of energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	2.4	2.3	2.3
Market-based[2] – Upstream portion of energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	7.8	7.1	6.7
Location-based – Upstream portion of energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	<1	<1	<1
Market-based[2] – Upstream portion of energy consumption of common and private areas using shared equipment **under direct management** by Carmila	$ktCO_2e$	<1	<1	<1
Consumption of private areas	$ktCO_2e$	76	20.8	17.71
Visitor transport	$ktCO_2e$	802.8	584.3	517.8
OVERALL GHG EMISSIONS, ALL SCOPES – MARKET-BASED[2]	**$KTCO_2E$**	**975.6**	**664.7**	**598.0**
OVERALL GHG EMISSIONS, ALL SCOPES – LOCATION-BASED	**$KTCO_2E$**	**960.0**	**650.4**	**592.0**

(1) All Scope 3 items were calculated for France, Spain and Italy.
(2) For the market-based methodology, the factors used for electricity are those of the Group's suppliers in France. For the other countries, these are the AIB residual emission factors.
(3) The Ademe emission factor values were updated in 2021. These factors are greater than those used in 2019 and 2020 due to developments observed around end-of-life waste but also due to significant methodological changes.

CHANGE IN SCOPES 1 & 2 CARBON FOOTPRINT[(1)]

		2019	2020	2021	Change 2021 versus 2019
Carbon footprint, Scopes 1 & 2 – Market-based	$ktCO_2e$	36.4	33.0	25.1	-31%
Carbon footprint, Scopes 1 & 2 – Location-based	$ktCO_2e$	26.0	23.5	23.4	-10%

(1) *Scopes 1 & 2 data include the carbon emissions from energy consumed by common and private areas using shared equipment in Scopes 1 & 2 across the three countries, refrigerant leaks across the three countries, and company vehicles in France only.*

CHANGE IN CARBON INTENSITY OF COMMON AREAS UNDER DIRECT MANAGEMENT

		2019	2020	2021	Change 2021 versus 2019
Greenhouse gas emissions per sq.m. – market-based – reported scope	$kgCO_2e$/sq.m.	48	43	32	-33.3%
Greenhouse gas emissions per sq.m. – location-based – reported scope	$kgCO_2e$/sq.m.	30	28	26	-13.3%
Greenhouse gas emissions per sq.m. – market-based – like-for-like scope	$kgCO_2e$/sq.m.	48	43	32	-33.3%
Greenhouse gas emissions per sq.m. – location-based – like-for-like scope	$kgCO_2e$/sq.m.	30	28	26	-13.3%

DECODING THE RESULTS FOR SCOPES 1 & 2

Location-based greenhouse gas emissions from Scopes 1 & 2 decreased by 10% in 2021 compared to 2019. This reduction, which was directly linked to the improvement in the carbon intensity of common areas, was due to several combined actions to improve energy performance as well as the calculation methodology. The change in the reporting protocol served to improve data accuracy:

- recalculation of all the surface areas of our assets in France (in 2020) and in Spain and Italy (in 2021);
- application of the EPRA guidelines for calculating the energy performance of shopping centres where common facilities also serve private retail units;
- deduction of individual energy consumption: Clear Channel for its digital panels located in the common areas and Carrefour for energy consumption while open on Sundays (when the shopping mall is closed);
- recalculation of past gas consumption;
- taking into account estimated values for sites not managed by Carrefour Property Gestion and Carmila.

For the sake of consistency, the methodological changes were also applied to the carbon footprint for 2019 and 2020, with the restated results presented in this report.

The choice of energy supply sources also impacted this reduction. This choice explains the 31% reduction in market-based emissions in 2021 compared to 2019 for Scopes 1 & 2. A supplier of electricity from renewable sources (in the form of a guarantee of origin certificate) was selected by Carrefour Spain to supply several Carrefour/Carmila shopping centres.

CHANGE IN SCOPE 3 CARBON FOOTPRINT[(1)(2)]

		2019	2020	2021	Change 2021 versus 2019
Carbon footprint, Scope 3 – Market-based	$ktCO_2e$	136.4	47.3	55.1	-59.6%
Carbon footprint, Scope 3 – Location-based	$ktCO_2e$	131.1	42.6	50.8	-61.3%

(1) *The Scope 3 assessment includes the carbon emissions of the items listed in Scope 3 in the carbon assessment above.*
(2) *In accordance with the rules of the GHG Protocol and the market-based objective certified by the Science Based Target initiative for Carmila, this calculation covers all Scope 3 captions except visitor travel.*

DECODING THE RESULTS FOR SCOPE 3

The Scope 3 items in Carmila's carbon footprint include sources of emissions that can vary greatly from one year to the next. This is the case for the Construction caption, which depends on Carmila's Development activity, and decreased by 75% between 2019 and 2021.

Similarly, emissions linked to tenant consumption are now calculated from data collected from the retailers that have the largest presence in shopping centres. The sampling therefore influences the values used. With the implementation of the French Tertiary Decree (Décret Tertiaire) providing transparency on landlord/tenant consumption, these values should become more reliable in the coming years.

Lastly, the small increase in Scope 3 emissions between 2020 and 2021 is due to the increase in emissions linked to shopping centre retailers' waste treatment. Although the quantities of waste decreased, Ademe's update on emission factors led to a significant increase in Waste emissions.

4.2.1.2 Energy efficiency and frugality

Definition

In 2020, following a first wave of audits, Carmila made a commitment to go beyond the requirements of the French Tertiary Decree by setting itself the objective of reducing energy consumption in the common areas by 40% between 2019 and 2030, whereas the decree allows it to refer back to 2014, the year Carmila was created.

Policies

Achieving the reduction targets requires the implementation of a comprehensive energy strategy:

- a detailed view of the condition of the shopping centre network, including better understanding and management of consumption data;
- identification of ways to regulate and reduce consumption, asset-by-asset;
- a multi-year investment plan for implementing solutions.

In the operational phase of the sites, the energy management policy entails different levels of intervention:

- technical improvements: phase-in of high-energy-efficiency building management systems (BMS) and discussions on building improvements, with an emphasis on ventilation, natural lighting and LED-type low-energy lighting;
- optimised monitoring and management: phase-in of remote kW reading for the main electricity meter and sub-meters, for an accurate analysis of consumption in different uses (lighting, heating and air-conditioning). These analytical readings are accessible via a dedicated web portal, enabling teams to react promptly to changes in consumption, taking corrective measures on any excess consumption observed;
- alert mechanisms: automated alerts on runaway energy consumption.

On new constructions, all extension projects coming into service since 2016 feature high energy performance, with systematic integration of building management systems (BMS) and insulation at least 20% higher than RT2012 requirements.

Action plans

Two important milestones for the implementation of the energy strategy were reached in 2021 with the selection of:

- a service provider to draw up an energy map of Carmila's network. The main objective of this mission, which will be carried out by Bureau Veritas, is to determine a multi-year energy strategy with detailed action plans to be implemented for each asset;
- a data gathering and consolidation system to make the mapping and action plans dynamic, called "Energisme".

These two missions will serve to consolidate the roadmap and direct maintenance and major repair investments towards optimal solutions in terms of energy consumption.

From an operational standpoint, the audits carried out in France in 2020, and in Spain and Italy in 2021 made it possible to implement action plans on, for example, improving understanding and management of consumption data and examining options for regulating consumption. A few initiatives highlight Carmila's energy downsizing policy:

- the Montesson site is a good example of collective engagement on energy performance: with support from Carrefour Property Gestion, in 2020 Carmila took part in the fifth edition of the Cube 2020 competition run by the Institut Français pour la Performance du Bâtiment (the French Institute for Building Efficiency). The aim of this competition is to spotlight buildings delivering the best energy savings over a year. Carmila chose its Montesson centre, rolling out many technical measures and stakeholder awareness-raising operations at the site. At the beginning of 2021, Montesson ranked first in the "Commercial" category and third in the overall "Energy Savings" ranking for all building types, with 49.01% energy savings and GHG emissions down 49% from the years 2017 to 2019;
- Bureau Veritas, as part of its mission for the multi-year energy strategy, highlighted the additional audits to be carried out in 2022 to consolidate our understanding of the shopping centre network and determine the available energy savings;
- Optimisers on gas boilers, deployed across some 30 shopping centres since 2020, have reduced their gas consumption by 15% to 20%;
- the Environmental Performance Committee was consulted in 2021 on the choice of the technical solution for heating and air conditioning in three asset renovation projects. Studies were commissioned from three independent consultancies to identify the most effective solution in terms of decarbonisation and energy savings. The outcomes validated a general principle that will be retained in future operations;
- in Spain, where the energy for many shopping centres is managed by Carrefour and not Carmila, an initial campaign to install sub-meters on some fifteen sites was conducted in order to more accurately report their consumption for the areas managed by Carmila;
- Since 2020, Carmila, with support from Carrefour Property Gestion, has pursued a demand-side energy management policy, thereby contributing to the transition toward more renewable energy in the French electricity network. The French energy agency, Ademe, and the latest provisional results from RTE, the electricity transmission system operator in France, have confirmed that the service sector has a role to play in demand-side management. Carmila contracted with an energy flexibility aggregator for 26 shopping centres (seven more than the previous year). In 2021, 4,800 demand-side response orders (i.e., more than five times as many as in 2020) were received at all these shopping centres, enabling 1,700 MWh of electricity to be saved. Over this period, the teams were able to observe that, if correctly operated, this flexible approach does not jeopardise user comfort or energy performance.

OUTCOMES

The year under review was therefore the starting point for important work to consolidate the network's energy image and implement actions to improve energy performance. Another success factor was the involvement of stakeholders in building management systems.

ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT) – REPORTED SCOPE

		Total		
	Unit	2019	2020	2021
Fossil fuels	kWh net	38,599,145	38,115,158	40,675,069
Of which natural gas	kWh net NCV	38,508,733	37,986,222	40,482,393
Of which heating oil	kWh net NCV	90,412	128,936	192,676
Electricity	kWh net	124,517,355	109,525,119	100,481,174
District heating	kWh net	799,547	814,850	1,929,090
Of which District heating	kWh net	799,547	814,850	1,929,090
Of which District cooling	kWh net	0	0	0
Overall energy consumption	**kWh net**	**163,916,047**	**148,455,127**	**143,085,333**
PER SQ.M.	**KWH NET/ SQ.M.**	**176**	**159**	**149**

ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT) – LIKE-FOR-LIKE SCOPE

		Total		
	Unit	2019	2020	2021
Fossil fuels	kWh net	38,599,145	38,115,158	40,675,069
Of which Gas	kWh net NCV	38,508,733	37,986,222	40,482,393
Of which heating oil	kWh net NCV	90,412	128,936	192,676
Electricity	kWh net	123,750,103	109,498,681	100,481,174
District network	kWh net	799,547	814,850	1,929,090
Of which District heating	kWh net	799,547	814,850	1,929,090
Of which District cooling	kWh net	0	0	0
Other energies	kWh net	0	0	0
Overall energy consumption	**kWh net**	**163,148,795**	**148,428,689**	**143,085,333**
PER SQ.M.	**KWH NET/ SQ.M.**	**176**	**160**	**149**

CHANGE IN ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT)

		2019	2020	2021	Change 2021 versus 2019
Energy intensity – reported scope	kWh net/ sq.m.	176	159	149	-15.4%
Energy intensity – like-for-like scope	kWh net/ sq.m.	176	160	149	-15.4%

ANALYSIS OF OUTCOMES

The change in energy intensity is clearly the result of energy performance initiatives, as well as the review of calculation methodologies in order to achieve greater accuracy in the reporting of assets. The modifications of the calculation methods have, above all, improved the accuracy of the reporting; the important points of this review are:

- recalculation of all surface areas in France, Spain and Italy;
- identification and inclusion of retail units using shared equipment managed by Carmila according to EPRA calculation guidelines;
- estimates of energy consumption at sites not directly managed by Carmila and Carrefour Property Gestion;
- detailed work carried out by the teams on the basis of gas loads and past consumption to fine-tune the reporting of assets using gas.

It should also be noted that these methodological changes have been applied retroactively to the results for 2019 and 2020.

IMPACT OF THE COVID-19 CRISIS ON THE CHANGE IN ENERGY INTENSITY

In France, as in 2020, the impact of Covid-19 was once again studied by the real estate operations teams at Carrefour Property Gestion, which manages our portfolio.

The various curfews and lockdowns over the period October 2020 to September 2021 had an impact on the Group's activities. Although business slowed down, Carmila did not completely cease its activity. The centres stayed open (wholly or partially) to allow access to hypermarkets and stores selling essential goods.

The real estate operations of our shopping centres revealed that the pandemic's impact on 2021 that was practically identical to that identified in 2020 by the study conducted by our consultant, Eleneo[1]. **Over the entire period from 1 October 2020 to 30 September 2021, the health crisis led to an approximate 5% drop in energy consumption compared to 2019, equivalent to 2020.**

WEATHER IMPACT ON THE CHANGE IN ENERGY INTENSITY

In 2021, the consultancy firm Oksigen assisted Carmila in studying the energy consumption of its French assets in order to factor out the weather impact and to highlight only the changes in the portfolio's consumption due to the Group's energy efficiency measures (the Covid-19 impact could not be taken into account in this study).[2]

The study covered 57 sites in France and submitted the following findings:

- changes in electricity consumption:
  - between 2020 and 2021: a 7.6% decrease in consumption without taking the weather factor into account and a 10.5% decrease corrected for weather conditions,
  - between 2019 and 2021: a 20.6% decrease in consumption without taking the weather factor into account and a 26.1% decrease corrected for weather conditions;
- changes in gas consumption:
  - between 2020 and 2021: a 1.5% increase in consumption without taking the weather factor into account and a final decrease of 6.5% corrected for weather conditions: the winter was harsher in 2021.

Lastly, this study, whose non-climate-adjusted results are consistent with the annual reporting findings, highlighted the positive results of the energy efficiency initiatives implemented by Carmila and Carrefour Property Gestion.

4.2.1.3 Eco-mobility

Definition

With the aim of reducing Scope 3 greenhouse gas emissions, Carmila encourages the development of eco-mobility (bicycles, electric cars, car-sharing and public transport).

Policies

Measures are taken to encourage the use of green transport and to raise awareness on this issue among visitors and employees, including:

- effective communication about getting to our shopping centres;
- where possible, additional stops agreed with bus companies;
- car-sharing areas;
- charging stations for electric vehicles;
- charging stations for electric bicycles;
- bicycle lanes and shelters.

Action plans

In 2021, an in-depth inspection was carried out in each shopping centre to identify the eco-mobility facilities available on site or nearby, within a radius of 500 metres. For each shopping centre, all available solutions were posted on the website to encourage shopping centre users to use eco-mobility.

OUTCOMES

97.3% of Carmila shopping centres in France, Spain and Italy offer at least one eco-mobility solution.

In 2022, Carmila wants to increase the range of eco-mobility solutions available at each site.

(1) *Eleneo study, 11 December 2020.*
(2) *Oksigen study, 9 February 2022.*

4.2.2 Conserving natural resources

4.2.2.1 Biodiversity

Definition

Protecting biodiversity is a key focus of Carmila's CSR strategy. Carmila strives to systematically take steps to strengthen biodiversity at its sites, both on an everyday basis and in new project developments:

- installation of insect hotels;
- installation of beehives;
- educational vegetable garden;
- flowering meadow;
- bird shelters;
- eco-pasture;
- green wall;
- responsible landscaping maintenance;
- BiodiverCity certification of development projects.

Policies

Carmila is committed to ensuring that all shopping centres have implemented at least one initiative to foster biodiversity by 2023.

Action plans

An update of the inventory of actions to promote biodiversity was carried out in 2021 on the entire France, Spain and Italy scope.

In 2021, Carmila drew up a "Responsible Maintenance" Charter for companies commissioned with gardening and grounds maintenance tasks. It details the best management practices to be implemented at the sites. As part of future contract renewals, signing this charter will be mandatory for current and future service providers.

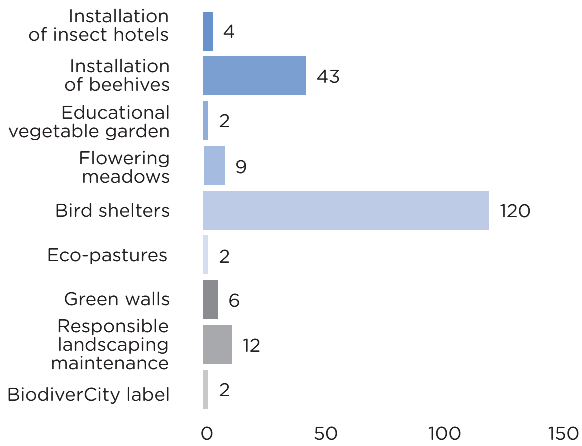
In order to ensure the proper on-site application of the methods defined in this charter, operations managers were trained by a biodiversity expert in December 2021 to gain a better understanding of the issues and areas to watch out for in terms of responsible maintenance. This training was recorded to make it an informative resource available to the operations teams at all times.

OUTCOMES

At the end of 2021, 45% of Carmila shopping centres had implemented at least one initiative to protect biodiversity and 12 of the shopping centres managed by Carrefour Property Gestion had the charter signed by their current landscaping maintenance provider.

Regarding development projects, the Nice Lingostière site, whose extension was opened in 2021, obtained BiodiverCity (design phase) certification in October 2021.

ACTIONS TO SUPPORT THE CIRCULAR ECONOMY



4.2.2.2 Waste and the circular economy

Definition

Carmila, through Carrefour Property Gestion, manages most of the waste from tenant retailers as well as waste from visitors and customers. Carmila has undertaken to recover in the form of materials or energy 100% of the waste from the shopping centre common and private areas under management.

Policies

In 2019, Carmila brought in an efficient waste management and accounting system, enabling it to accurately calculate the waste recovery rate. Achieving the target involves defining a comprehensive local waste management policy:

- flow management procedures by site;
- division of roles and responsibilities between tenant and landlord.

In addition, Carmila is working alongside Carrefour to raise awareness among retailers and visitors and to support local initiatives in favour of the circular economy, including reducing food waste at source, providing a second-hand offering, recycling textile waste and medical masks, etc.

Action plans

In early 2021, Carmila carried out an internal in-depth, multi-criteria study to gain a better understanding of the material, financial and managerial issues surrounding waste management. This first step included consulting waste management experts to supplement the initial assessments and drawing up action plans. The first two audits were carried out in 2021.

In 2022, the waste management policy will continue to take shape thanks to further assessments and management plans on the following topics:

- distribution of roles and responsibilities between tenant and landlord;
- improvement to five-flow on-site waste separation;
- systematic biowaste separation;
- awareness-raising for all stakeholders;
- monitoring of tonnages and choice of discharge system.

Waste reduction at source

In line with the French Anti-Waste, Circular Economy (AGEC) law, Carmila is developing solutions to reduce waste at source.

For example, for several years in France, Carmila, in association with Carrefour, has been a partner of Too Good To Go, which aims to resell food products in the form of gift baskets. In 2021, 320 tonnes of food products in Carmila shopping centres were saved from being thrown away.

Carmila also organised a dozen or so clothing donation events during the year, giving clothes a second life. For example, the Laval centre's collection in July 2021 amassed 1.8 tonnes of clothing for the Red Cross.

Outcomes

WASTE RECOVERY RATE – REPORTED SCOPE

	2019	2020	2021	Year-on-year change
Total *(tonnes)*	**28,004**	**25,061**	**23,198**	**-7%**
Recovered *(tonnes)*	14,183	14,271	13,615	-5%
% RECOVERED	**51%**	**57%**	**59%**	**UP 2 PTS**

WASTE RECOVERY RATE – LIKE-FOR-LIKE SCOPE

	2020	2021	Year-on-year change
Total	**25,045**	**23,182**	**-8%**
Recovered	14,268	13,613	-5%
% RECOVERED	**57%**	**59%**	**UP 2 PTS**

ANALYSIS OF OUTCOMES

Work continued in 2021 on extending the reporting scope. The method of estimating missing data was fine-tuned to take into account the specific characteristics of each type of waste. This method was applied retroactively to data for 2019 and 2020 to ensure a consistent basis for comparison.

In 2021, the health crisis continued to impact business levels in Carmila's centres, leading to a reduction in the tonnages produced.

The energy and material recovery rate increased by two percentage points compared to 2020. Some of the waste that was previously disposed of was redirected to recovery outlets.

4.2.2.3 Water

Definition

The drive to empower teams to manage resources includes taking into account the environmental impacts of water use.

In 2020, following the environmental audit, Carmila adapted its monitoring of water consumption by setting a target of less than 1-litre per visitor per year for all water uses by 2025.

Policies

The management of water consumption at shopping centres entails improving sub-metering to identify sources of excess consumption. The distribution system readings should enable full coverage of data for this indicator by 2022.

Action plan

In conjunction with Group-wide take-up of BREEAM New Construction and BREEAM In-Use certification, water consumption monitoring encourages good practices in the design and operation of water management systems with devices such as water-saving taps, leak detectors, shut-down valves on sanitary equipment and drip watering systems.

It was also decided at the end of 2021 to use a new data gathering platform, which will be implemented in 2022.

Outcomes

WATER INTENSITY *(CU.M./SQ.M.)* REPORTED AND LIKE-FOR-LIKE SCOPE

	Unit	2019	2020	Total 2021	Change 2021 versus 2019
Consumption (reported)	cu.m.	618,516.32	562,700.09	515,097.82	-16.7%
Consumption (like for like)	cu.m.	618,516.32	562,700.09	500,609.82	-19.1%
PER SQ.M. (REPORTED)	**CU.M./SQ.M.**	**0.93**	**0.84**	**0.77**	**-17.1%**
PER SQ.M. (LIKE FOR LIKE)	**CU.M./SQ.M.**	**0.93**	**0.84**	**0.75**	**-19.1%**

WATER INTENSITY (LITRES/VISITOR) – REPORTED AND LIKE-FOR-LIKE

	Unit	2020	Total 2021	Year-on-year change
Consumption (reported)	cu.m.	421,095.54	354,211.14	-15.9%
Consumption (like for like)	cu.m.	384,779.01	326,219.5	-15.2%
PER VISITOR	**LITRES/ VISITOR**	**1.04**	**0.99**	**-4.7%**
PER VISITOR	**LITRES/ VISITOR**	**1.11**	**0.94**	**-15.2%**

ANALYSIS OF OUTCOMES

The fall in water consumption between 2019 and 2021 reflects:

- changes in the reporting methodology, especially the review and verification of shopping centre surface areas (see methodology note – B. Water intensity indicator);
- in addition, water consumption for France only includes the consumption of sanitary facilities in common areas;
- it should be noted that the water intensity per visitor in 2021 was slightly lower than in 2020. This was due to actions carried out in this area.

4.2.3 Green value

4.2.3.1 Environmental certifications

Definition

To safeguard the value of its assets by taking sustainable development issues into account during the construction and operation of its sites, Carmila has embarked upon an ambitious environmental certification policy.

In 2020, Carmila committed to certifying 100% of its assets by 2025 to at least one of the two following BREEAM standards:

- BREEAM New Construction certification for all extension projects of more than 2,000 sq.m.;
- BREEAM In-Use certification for sites in operation.

This objective illustrates Carmila's commitment to minimising its environmental impact at each stage in the building's life-cycle. The internationally recognised BREEAM standards set out efficient and environmentally sound design and management principles. The assessment covers some 70 criteria across ten categories, including sustainable project management practices, biodiversity, energy efficiency, choice of materials, waste and water management, comfort, transport and the various forms of pollution.

Policy

To ensure this wide-reaching certification project is managed as effectively as possible, a dedicated data management platform has been set up in France. The platform, which in 2019 was awarded the Business Immo digital transformation prize, was updated to take into account the new BREEAM In-Use V6 standard.

OUTCOMES

In 2021, Carmila had 31 shopping centres certified for the first time (16 in Spain, three in Italy, 12 in France) and nine shopping centres recertified in France. In both cases, and except for the Spanish assets, the certifications were conducted on the basis of the new BREEAM In-Use V6 standard (this version was not yet available in Spain).

In 2021, Carmila's BREEAM In-Use certification rate stood at 93.4% of the portfolio in terms of value, with 57% of sites rated Very Good.

In 2022, the certification campaign will cover about 50 sites. It will continue to be based on the new BREEAM In-Use V6 standard where possible. In late 2021, Carmila also began a programme of compliance with V6 across its portfolio, with recertification of at least 10% of its assets each year.

ENVIRONMENTAL CERTIFICATION RATE

	2019	2020	2021
% TOTAL ASSETS CERTIFIED	**61%**	**87.7%**	**93.4%**

4.2.3.2 Climate Resilience Plan

Definition

Adapting to climate change is now a central concern for real estate companies which will have to face a sometimes significant change in their assets' operating conditions. Carmila's strategy on resilience to climate change covers site construction and operation.

Policies

In 2020, Carmila conducted an analysis with Carbon 4 of the resilience of its assets through to 2050. The global warming scenario considered was the worst-case RCP 8.5, established by the Intergovernmental Panel on Climate Change (IPCC). This involved a cross-cutting analysis through to 2050 of potential natural hazards exacerbated by climate change against the potential vulnerability of Carmila sites. The resulting site risk ratings were then examined to determine specific actions for safeguarding assets in each particular instance.

On new project developments and major renovations, long-term resilience is factored in at the design phase:

- the bioclimatic architecture of our shopping centres aims to reduce energy consumption thanks to access to natural light, materials with high thermal inertia, optimised façade orientation, and roofs with greenery or high solar reflectivity to reduce heating and air conditioning needs;
- renewable energy sources (such as solar water heaters, heat pumps and geothermal energy) are incorporated whenever possible;
- each project is designed to blend as unobtrusively as possible into the natural or urban environment and to minimise its impact on the environment.

Action plan

As part of the extension and renovation of the Nice Lingostière shopping centre, Carmila opted for a design that favoured the provision of natural light in the common areas despite major technical and financial constraints. The glass surfaces represent 15% of the mall in the three-storey building. In addition, the area of green space on the site, initially 5,200 sq. m, was increased to 17,400 sq.m. as part of the project:

- improved rainwater management on the property;
- reduction of the heat island effect generated by large parking areas;
- improved customer comfort due to landscaped areas.

OUTCOMES

In 2021, Carmila started to produce resilience records based on the findings of the study carried out in 2020 and on its most at-risk assets (i.e., assets with a resilience score, taking into account the vulnerability of the site and hazards, of over 60 on a scale of 100). Its records will be made available in early 2022.

These records are divided into two sections:

- the asset score as well as the risks incurred for the identified hazard;
- the means of avoidance, mitigation or remediation that can be implemented.

In 2022, these records, drawn up with the help of Carrefour Property Gestion, will then be sent to all the operating managers of the 13 sites in question so that they can be taken into account to the extent possible when drawing up multi-year investment budgets.

4.3 Here we act for local regions

Social impact is a key strand of Carmila's "Here we act" programme. Changes in consumer patterns and customer demand for greater transparency, traceability and a more environmentally-friendly approach require retailers and businesses to lead by example.

In the context of these changing consumer patterns, Carmila continued to develop its Responsible Offering in 2021 around a priority focus: second hand.

The shopping centre is designed as a living space that promotes the local economy, social ties and interaction with the local region. Some retail formats, such as specialty leasing stands, provide an opportunity for participants in the local economy to connect with new customers and visitors.

Broadly speaking, Carmila is prioritising relations with its tenants and visitors as a means of establishing a lasting local presence. These objectives are identified as key risks in the non-financial risk mapping.

As a result, the Here we act for local regions component of the CSR strategy is built around two commitments:

- a B2B commitment, specifically, supporting our retailers in developing their business;
- a B2C commitment through our visitor and customer initiatives.

4.3.1 At the heart of the local economy

4.3.1.1 Employment

Definition

Carmila has already prioritised employment, not only by supporting the local economy but also by helping retailers with the hiring process. To step up its job support programmes, Carmila expanded the toolbox of solutions available to shopping centre management teams in 2021:

- job vacancies page on the centre's website;
- HucLink interactive terminals;
- job forums;
- a partnership with Student Pop, a student employment agency startup;
- the "Shop Ton Job" vacancy bulletin board;
- the publication of job offers on the shopping centre's social networks;
- apprenticeship discovery days;
- partnerships with recruitment agencies.

Policies

Shopping centre management teams are in direct contact with the local businesses. Accordingly, they are able to implement all the initiatives in their centres and be an innovative source of new initiatives.

The shopping centre's job vacancies website is automatically updated from the Carrefour hypermarket's opportunities site.

Action plans

Employment forum in Vaulx-en-Velin

For one week, from 15 to 20 November 2021, the Sept Chemins shopping centre hosted many key local and regional figures: Pôle Emploi, Mission locale, Maison métropolitaine de l'insertion professionnelle, local businesses, shopping centre retailers as well as local politicians and officials. The event featured a company presentation stand, the posting of available job offers, CV boxes, job dating, panel discussions on business creation, interview preparation, a stress management workshop and more.

Student Pop

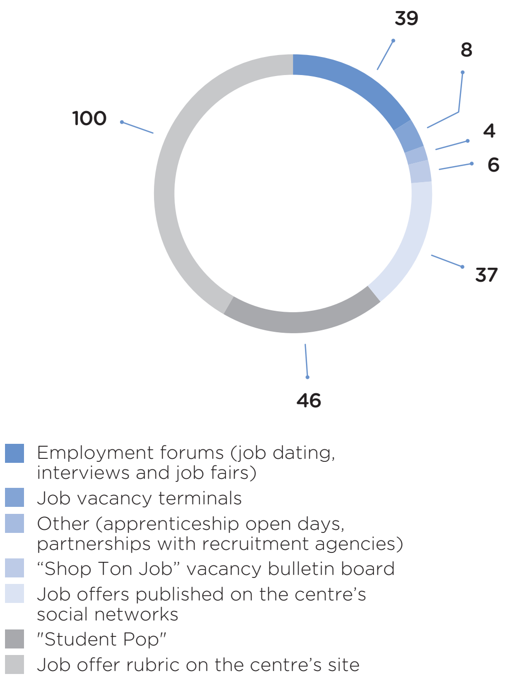
In order to focus on young people, especially students, Carmila has forged a partnership with Student Pop. This fast-growing startup has developed a mobile app where students can find short-term job assignments that match their profile to earn some extra money. These programmes meet the needs of shopping centre management teams and retailers in periods when they temporarily need extra workers, while offering students an attractive wage and immediate payment.

OUTCOMES

In 2021, a total of 240 job support initiatives were rolled out across Carmila's sites. All shopping centres implemented at least one job initiative to support the local economy.

For example, 1,930 students benefited from the Student Pop service to get connected with a job offer in a Carmila shopping centre, representing 10,492 paid hours.

GROUP JOB SUPPORT INITIATIVES



In 2022, Carmila intends to continue to provide job support in each of its shopping centres by developing the tools already available.

4.3.1.2 Responsible Offering

Definition

The Responsible Offering, which is an integral part of Carmila's purpose statement, is aligned with emerging customer expectations as well as with the distinctive offerings of certain retailers. Our customers have expressed their desire to move towards more responsible, more environmentally friendly and more local consumption. Consumers are more aware and better informed about these issues, and the social and solidarity economy is developing fast.

Policies

In 2021, during regular meetings of multi-disciplinary teams, Carmila worked on developing the priority focus of its responsible offering: second hand. These Responsible Offering Committee meetings were an opportunity to actively monitor this rapidly developing sector, to put together appropriate action plans and to test new tools to achieve the target set at the end of 2020. For example, a call for projects process was designed to offer vacant premises free of charge to retailers working for more responsible offerings.

Action plans

Call for projects in Pau Lescar

Launched in March 2021 by Carmila, this call for projects aimed to showcase responsible companies and to offer the winner six months free rent in the Pau Lescar shopping centre. Despite the lockdown, six responsible companies applied. The winner, Util'Eco, a company that refurbishes multimedia devices and works with a social rehabilitation centre, moved into the shopping centre in July.

This call for projects received a great deal of press coverage, giving visibility to the candidates and to Carmila.

OUTCOMES

At the end of 2021, a second-hand offering was available in 26 shopping centres, representing 38.7% of Carmila shopping centres with centre management teams (Group scope).

For 2022, the Responsible Offering Committee has set the objective of maintaining this second-hand offering at least at the level reached in 2021, i.e., in 38% of the shopping centres with centre management teams.

Moreover, Carmila wishes to develop new responsible offerings, in addition to second-hand offerings, to continue to meet the new expectations of tomorrow's consumers.

4.3.1.3 Dialogue with retailers

Definition

Maintaining close ties with retailers is a key priority for Carmila. Once again this past year, shopping centre management, leasing and marketing teams focused on helping them boost their appeal and visibility.

Our retailers' perception of the utility of our support services is a critical factor that guides our actions. Carmila is therefore committed to measuring and monitoring retailer satisfaction.

Policies

Initiated in 2019, Carmila's annual retailer survey was extended in 2021 to 189 shopping centres in France, Spain and Italy, representing 97% of the portfolio's value. The survey was broadened to include questions relating to thermal comfort and air quality, in connection with the BREEAM In-Use certification of Carmila's shopping centres.

The year was also an opportunity for Carmila to put together its first consolidated Group-wide retail NPS, in order to align itself with new industry standards.

RETAILER SATISFACTION RATE

France	2019	2020	2021
Overall satisfaction rate	69%	62%	66%
Engagement rate	N/A	73%	67%
Percentage of centres included in the survey	28%	44%	80%

Group	2019	2020	2021
Satisfaction rate	69%	N/A	65%
Engagement rate	N/A	N/A	70%
Percentage of centres included in the survey	29%	N/A	88%
Percentage of retailers aware of the support tools (such as the marketing Kiosks)	N/A	54%	63%

OUTCOMES

The satisfaction rate was up on the previous year in France and 70% of retailers across the Group felt involved in the life of the shopping centre.

Once again in 2021, the Covid-19 health crisis impacted retailers, who experienced several closure periods. Shopping centre management teams continued to offer support to retailers during lockdown periods and the business resumption. Carmila thus acted as a facilitator by helping retailers manage their health measures and informing them in real time of changes in protocols and exchanges with regional health authorities.

In 2022, Carmila wishes to carry on with the surveys while continuing to improve the reliability of the data collected.

4.3.1.4 Dialogue with customers

Definition

For our customers, the experience involves a journey of virtual and physical steps, each a touchpoint, from the first digital contact to visiting the centre, itself designed to be a vibrant place where visitors can interact socially. As part of its approach to continuously improve the customer experience, Carmila takes visitor feedback into account in planning its renovations.

Dialogue with customers is essential to meeting their expectations more effectively, pro-actively responding to their needs and identifying ways to improve. This active listening is done through various survey tools.

Policies

Customer satisfaction survey	Measuring customer satisfaction across the entire shopping experience	Twice a year – launched in 2015	France since 2015 Spain and Italy since 2019
Ongoing dialogue with customers	Gathering spontaneous and requested feedback from our customers via Google and from detailed questionnaires on various channels (emails, marketing Kiosks, website, etc.) Responding to customer reviews	Continuous	France
Mystery shoppers	Audit of the entire customer experience by a trained professional assessor, covering the general condition, cleanliness, signage and staff	Quarterly depending on the shopping centre	France 131 shopping centres

OUTCOMES

The overall customer and visitor satisfaction rate rose in 2021 to 86.8%.

The consolidated Group-wide NPS was +10.

CUSTOMER AND VISITOR SATISFACTION RATE

Group	2019	2020	2021
Satisfaction rate	82.3%	77.9%	86.8%
NPS	N/A	N/A	+10

In 2022, Carmila intends to continue improving the reliability of its consolidated Net Promoter Score (NPS) at Group level.

4.3.2 Our role as a corporate citizen

4.3.2.1 CSR events

Definition

For Carmila, social responsibility is also put into practice through initiatives that benefit people and the environment. Health and safety are major concerns for all shopping centre users. CSR events are divided into four main areas: community outreach, sport and health, culture and ecology. Carmila aims to have all shopping centre management teams organise at least one CSR event each year.

Policies

CSR events are generally a way to raise awareness among employees, retailers and shoppers. Each shopping centre management team is responsible for launching and implementing events aimed at all audiences, thus forging partnerships with local non-profits to enable them to publicise their activities.

Events can be chosen from a catalogue of CSR actions by proposing new initiatives, which are ultimately validated by the CSR department.

Action plans

In 2021, a reporting platform for CSR events was set up in France for shopping centre management teams. Developed jointly with the founders of the startup Lakaa, this platform makes it easy to report events carried out in the shopping centres. It also provides access to a catalogue of around one hundred initiatives to assist shopping centre management teams in setting up their CSR events.

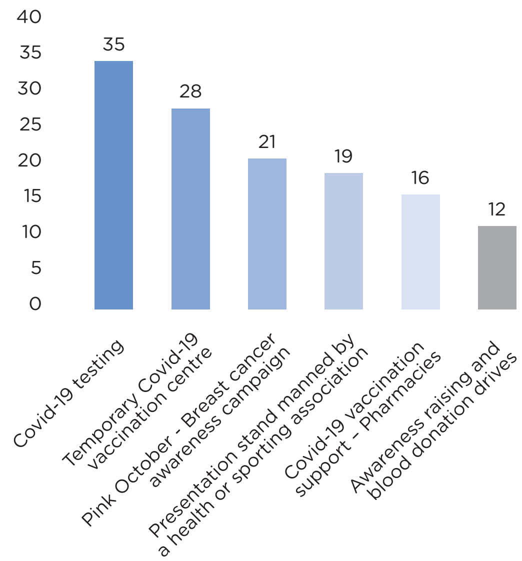
In order to help shopping centre management teams to speak out on CSR issues, a “Here we act” album was launched in collaboration with the Marketing department in 2021. This enables shopping centre management teams to communicate consistently on the topics that form Carmila's CSR strategy.

Healthcare

In 2021, Carmila asserted its role as a locally-embedded enterprise by making available to the public 59 testing facilities and 50 pop-up vaccination centres in close collaboration with the regional health agencies and shopping centre pharmacies.

Carmila is developing events focused on other topics as well: "Pink October" events were staged by 20 shopping centres, including the Bay 2 centre, which organised a race to raise money for breast cancer research.

TOP HEALTH-RELATED INITIATIVES (FRANCE)



OUTCOMES

A total of 1,121 CSR events were organised Group wide. Once again in 2021, the most popular theme for shopping centres was community outreach, which accounted for 70% of the events.

	2019	2020	2021
NUMBER OF CSR EVENTS	1,616	797	1,121
Year-on-year change	+20.60%	-50.68%	+40.65%

4.3.2.2 Community outreach

Definition

Carmila has chosen to take part in community outreach actions in two ways:

- by entering into a new partnership;
- by hosting charities in its shopping centres.

Policies

Spaces are made available to charities either free of charge or on preferential financial terms. The objective is to enable them to carry out fundraising initiatives to support their actions and enhance recognition.

In a context marked by the widening regional divide, 60% of French young people now grow up outside the major urban centres, with deep inequalities of opportunity due to lack of information and opportunities in rural areas and small towns. Embedded in the heart of the regions, Carmila has chosen to work alongside Chemins d'avenirs, a non-profit organisation that unleashes the potential of young people by supporting them throughout their academic, professional and civic careers. This collaboration is based on three major commitments:

- helping the non-profit to expand to new regions;
- enhancing the professional opportunities of young beneficiaries by offering them contacts for internships and work-study opportunities in the shopping centres or with partner retailers;
- mobilising Carmila employees to support young people.

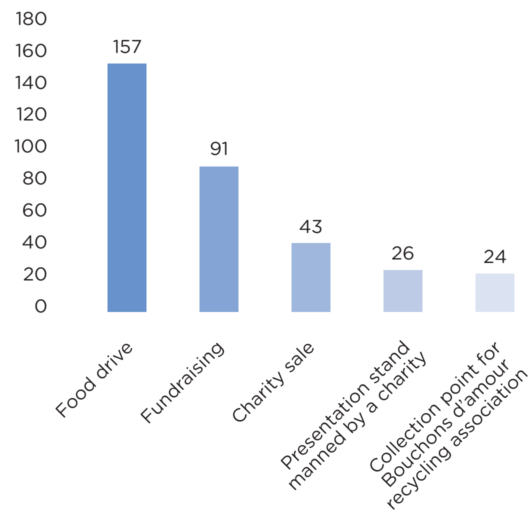
In 2022, Carmila wants each shopping centre management team to continue to support a community outreach cause, preferably related to children or young people. Carmila will also continue its national partnership with Chemins d'avenirs, initiated in 2021.

Action plans

In the shopping centres, 787 community outreach initiatives were carried out in France, Spain and Italy in 2021. Shopping centre management teams supported various local non-profits such as the Food Bank, Secours Populaire, Blouses Roses and the Telethon.

As part of a partnership with PepsiCo, Delivr'Aide and Carrefour, a donation drive for essential goods was held in October 2021 in three Carmila shopping centres – Gennevilliers, Sartrouville and Montesson. This event resulted in the donation of 1,432 products at the Montesson shopping centre alone.

TOP FIVE COMMUNITY OUTREACH INITIATIVES (IN FRANCE)



OUTCOMES

Fundraising for non-profits

Carmila shopping centres organised a number of fundraising campaigns for non-profit organisations, collecting approximately €97,000.

Chemins d'avenirs

Carmila made a donation of €35,000 to help the non-profit roll out its initiatives.

4.4 Here we act for employees

4.4.1 Foster diversity

Definition

Respecting diversity and rejecting all forms of discrimination and harassment are two of the principles in Carmila's Code of Ethics, which all employees receive when they join. These commitments are inspired by the International Labour Organization conventions on equal remuneration (No. 100) and discrimination (No. 111).

The Human Resources department, management and staff act on a daily basis to promote an inclusive corporate culture based on the values of respect, equal opportunity and non-discrimination.

On the more specific issue of gender equality in the workplace, French law No. 2018-771 of 5 September 2018 and its implementing decree no. 2019-15 of 8 January 2019 specify the methods for calculating the gender equality index. With regard to Carmila, in view of its workforce, the criteria used to calculate the index are:

- gender pay gap;
- gender pay gap in terms of individual pay rises;
- pay rises for women returning from maternity leave;
- representation of women among the top 10 highest paid employees.

Policies

Carmila pledges to fight all forms of discrimination and plans to implement a policy that promotes equal opportunity and diversity. This diversity and non-discrimination policy applies to all Human Resources procedures and decisions related to working conditions, particularly recruitment, annual performance appraisals, variable compensation plans, training and career development.

Carmila wishes to promote the employment of young people and pledges to maintain more than 10% of employees on work-study programmes out of its total staff.

In order to promote gender equality within the organisation and to improve its Gender Equality Index over the years, Carmila is committed to monitoring and steering the progress of the initiatives implemented, before publishing this index annually on its website.

To further improve its performance in this area, Carmila has decided to calculate its gender equality index at Group level, including Spain and Italy, thereby going beyond its legal obligations under French law. Carmila has set a target to raise this indicator to 90/100 in 2022.

Action plans

As regards gender balance and diversity in the workforce, Carmila has launched an action plan to achieve the best standards in this area. A number of measures have been implemented:

- coaching systematically provided after maternity and parental leave, for employees and their managers;
- training offered to anyone returning from maternity leave;
- funding vouchers for home child-minding;
- setting up a workplace gender equality committee by the Social and Economic Committee.

In order to pursue its policy in favour of people with disabilities and as an extension of the disability agreement signed on 2 June 2020, Carmila has made commitments over a period of three years to promote the recruitment of disabled people, help them retain their jobs and raise staff awareness about disabilities in general.

In 2021, Carmila continued to partner Welcome To The Jungle, a recruitment website that enables innovative companies to reach out to job applicants seeking business and entrepreneurial experience.

In early 2022, all recruitment firms that work with Carmila will sign a Responsible Recruitment Charter, materialising Carmila's commitment to combating all forms of discrimination in the recruitment process. Acting on the belief that the Company should reflect society as a whole, Carmila pledges to incorporate diversity in all its forms, particularly in terms of age, gender, state of health, disability, sexual orientation, social and geographical background, religious beliefs, political opinions, trade union activities, etc.

In addition, in 2021 Carmila signed the charter of commitment to workplace gender equality in real estate companies and organisations.

Carmila's commitment to fighting discrimination begins as of the recruitment stage and continues throughout its employees' careers. Greater diversity without discrimination can only be achieved with true awareness about cultural biases that can influence recruitment choices and development potential. This commitment is supported by the Human Resources department, which in 2021 organised a training programme on cultural bias. These sessions were initially dispensed to the Human Resources team and will be rolled out to the members of the Executive Committee and Management Committee before being offered to all Carmila managers in early 2022.

OUTCOMES

Carmila promotes the employment of young people. At 31 December 2021, 48 Carmila employees were on work-study programmes, drawn from a broad range of educational backgrounds and representing 25% of the total workforce in France (all contracts combined).

In 2021, nine employees were offered a permanent or fixed-term employment contract directly following their work-study programme.

In 2021, a partnership agreement was signed with Aktisea, a firm specialising in the inclusion of people with disabilities. This partnership made it possible to hire a work-study student with a disability.

The Carmila Group workplace equality index stood at 94/100 in 2021.

The "Boost'her" programme, implemented in the scope of the mandatory annual collective workplace negotiation in France, provided the opportunity to reassess the pay of 12 women at Carmila in France when an unjustified gap was identified for the same position and on the same team.

Between 2020 and 2021, the gender pay gap at management level decreased by one percentage point.

CONSOLIDATED PAY GAP

Consolidated management pay gap	2018	2019	2020	2021
Female executives	€43,981.00	€49,737.00	€49,580.64	€51,031.44
Male executives	€51,412.00	€56,531.00	€56,690.89	€57,714.49
Consolidated pay gap	-14.45%	-12.02%	-12.54%	-11.5%

4.4.2 Talent engagement and retention

Definition

Employee engagement is a key factor in Carmila's success and growth. This engagement begins when the employee joins the company and is built and strengthened throughout their career path. Carmila's Human Resources policy is a valuable tool used to promote active listening and well-being as a response to the many challenges and needs employees face, particularly young talent.

In practical terms for Carmila, taking action every day for employees means promoting fulfilment, satisfaction, the pushing of boundaries and team spirit to develop and grow together.

To retain talent and allay the risk of becoming less competitive on the job market, Carmila encourages and supports career development and internal transfers.

Policies

Onboarding is an important step in helping new employees smoothly integrate themselves into Carmila's teams and providing guidance as soon as they arrive. All employees are invited to take part in an induction programme to enable them to absorb the culture, values and organisational structure of the company, including:

- an immersive and involving induction day;
- a personalised, job-specific programme including meetings with members of the Management Committee and immersion in Carmila shopping centres;
- a one-to-one meeting with the Human Resources department;
- a mentoring system systematically extended to all employees hired on permanent contracts.

Monitoring employees' career paths within the company is a priority and is supported by a comprehensive system:

- the "Skills and Career Interview" appraisal enables managers and employees to take stock of the results of the past year, the achievement of objectives and the expectations in terms of career development and to adapt the development plan and assess workloads and work-life balance;
- "Skills and Career Interview" workshops are organised for all managers by the HR team;
- Careers Committees also meet following annual appraisals to identify high-potential employees, plan specific development initiatives and facilitate internal transfers;
- some staff members benefit from personalised coaching or an assessment as part of their career development.

Carmila supports its employees throughout their career in developing and acquiring new skills and expertise, thereby preparing them for the jobs of the future. Carmila firmly believes in the importance of training, not only to improve employees' job skills, but also to enhance their personal development. A tailor-made skills development plan is offered to each individual according to their profile and pace of development.

Training needs are passed on to the Human Resources team, which identifies the most suitable training courses on a case-by-case basis.

This large-scale programme is aimed at responding to employees' individual needs, whatever their job or grade.

Investing in employee training is both a core responsibility of the company and a driver for competitiveness and sustainability, and which is accelerating the transformation of our culture.

In order to attract the best talent on the market, Carmila has adopted an attractive and competitive compensation policy in the commercial real estate market and encourages high performance through variable pay.

In all three countries, the compensation package comprises a fixed salary, annual variable compensation and, in the case of France, profit-sharing agreements and incentive plans. Since 2019, a CSR criterion has been included in the performance objectives for determining the variable compensation of all employees.

Action plans

In France, the onboarding seminar was held entirely online in 2021 due to the health context. Over one week, new hires participated in daily videoconferences where all departments presented their strategy and teams.

A "Special Work-Study" induction day was also organised at the Montesson site in 2021. During this day-long event, the "Carmila Work-Study Community" was launched, encouraging better communication between work-study employees and more effective integration into the teams.

In 2021, a partnership agreement was signed with People & Baby enabling Carmila staff to secure a place for their child in childcare facilities across France.

OUTCOMES

100% of new recruits participated in the induction programme.

100% of new recruits on permanent contracts participated in the mentoring programme launched in France in 2021.

In 2021, 93% of Group employees underwent an annual appraisal.

Carmila met its target in 2021 of providing all employees with access to training. At least one training programme was offered to all staff, and 79.6% were able to take advantage of it in the Group.

In 2021, ten employees were promoted, and five employees changed positions within the company.

The average annual pay rise at Carmila was 3.25% in 2021.

See the "Social indicators: Here we act for employees" table in the appendix to this chapter.

The internal "Inside Jobs" platform, which aims to offer employees advance notice of job openings at Carmila and Carrefour Property, was rolled out for Carmila in Spain and Italy in 2021.

100% of the childcare places resulting from the partnership with People & Baby were allocated to Carmila France employees.

HOURS OF TRAINING AND PERCENTAGE OF EMPLOYEES TRAINED

	2018	2019	2020	2021
Average number of training hours per employee	21.4	15.58	15.89	21.75
Total number of training hours	4,480	2,960	2,733.7	2,892.5
Proportion of trained employees	65%	83.68%	76.74%	79.64%

4.4.3 Employee relations

Driven by the fundamental belief that actively listening to employees enhances their commitment, Carmila encourages transparent, direct communication between staff members and different levels of management. Carmila builds strong, regular social dialogue by developing the number of contact points and discussion channels. These discussions take several forms:

- meetings with Social and Economic Committee members and union representatives;
- seminars and conventions (the last convention for all Carmila Group employees took place in September 2021);
- brainstorming competitions;
- annual employee satisfaction surveys.

Relations with Social and Economic Committee members and union representatives

The Human Resources department ensures that a good social climate is maintained with trade unions and has intensified its exchanges with elected representatives. In 2021, 28 meetings were held with the elected representatives and four collective bargaining agreements were signed with the union delegates on:

- annual mandatory negotiations;
- the incentive plan (4 June 2021);
- the profit-sharing scheme (4 June 2021);
- support for employees helping a relative requiring health-related long-term care (2 November 2021).

Satisfaction survey

The annual employee satisfaction survey was conducted in September 2021, covering all employees of Carmila France, Spain and Italy.

The participation rate for the three host countries was 89% (up 9% compared to 2020), for an overall NPS of +17.

The survey found that 89% of employees expressed satisfaction with their job, and the same proportion were satisfied with the company. In addition, 89% of employees are confident about Carmila's future.

Mydea

Carmila is developing a participative innovation approach by involving its employees in the creation of projects designed to help achieve its strategy and respond to stakeholders. This approach is based on Mydea, a digital platform for sharing and selecting ideas.

In 2021, 58 projects were proposed in the three countries, and nine were selected by a panel of internal experts.

This approach was praised by the non-profit innov'Acteurs, which awarded Carmila the participatory innovation trophy in December 2021 in the transformation category.

Commitment to non-profits

Carmila has set up a partnership with the non-profit Chemins d'avenirs, which aims to uncover the talents of France's local regions through mentoring.

Rural areas and small or medium-sized towns represent 60% of the French population.

Through this scheme, Carmila wishes to act in favour of diversity and inclusion by helping secondary school pupils and university students to choose their future career paths.

The mentors support their mentees in the aim of boosting confidence in their futures.

The programme is simple and accessible, with mentors giving two hours per month to mentees for 18 months.

Enabling a young people to play an active role in their own future promotes professional success and personal fulfilment.

Through these initiatives, Carmila is encouraging its employees to get involved in non-profit outreach.

4.4.4 Raising awareness of sustainable development issues

Definition

Corporate social responsibility is a shared concern for senior executives, managers and employees. To ensure that everyone understands the importance of the issues at stake, Carmila has chosen to empower its employees in two areas:

- compensation policy;
- communicating information and knowledge on sustainable development issues.

Policies

Integration of KPIs in the calculation of variable compensation

In order to involve employees in Carmila's CSR approach, variable compensation is calculated on the basis of the achievement of certain CSR objectives, including the proportion of BREEAM-certified shopping centres.

In 2022, Carmila wants to strengthen this link by adding new a CSR indicator for calculating the variable portion of employees' compensation.

In addition to the percentage of BREEAM-certified shopping centres, a greenhouse gas reduction indicator for Scopes 1 & 2 will be added for the collective portion of variable compensation. This is calculated on the basis of four indicators, one of which includes the rate of BREEAM certification for shopping centres and the reduction of greenhouse gas emissions on Scopes 1 & 2 over the review year. This incentive linked to quantitative CSR indicators now accounts for 25% of the criteria used to determine variable compensation.

Awareness-raising actions organised by the CSR department

The CSR department organises awareness-raising activities on CSR issues at least once a quarter: webinars, training, strategy presentations, cross-functional working groups, internal events, challenges, news, etc.

Action plans

During the European Sustainable Development Week, the CSR team organised a variety of daily events for all Carmila and Carrefour Property employees. In particular, Carbone 4 was commissioned to run a carbon accounting workshop for employees. More than 80 people were present and were able to calculate their personal carbon footprint in a fun way and understand how they can contribute to combating climate change.

OUTCOMES

The CSR strategy was presented to all Carmila departments in 2021.

Six CSR awareness-raising training formats were organised during the year on various topics such as climate change, customer perception of CSR, CSR actions in shopping centres, sustainable food, etc.

95% of the employees were satisfied with the topics covered and the quality of the speakers.

4.5 Sustainable finance: Sustainability-Linked Loans

In September 2021, with the support of Natixis and CACIB, Carmila took its first steps into the world of sustainable finance, as the Group took out a sustainability-linked loan for an amount of €810 million. In addition to the loan's traditional rating, the spread on this facility is dependent on achieving two environmental objectives of Carmila's CSR strategy.

If both environmental commitments are met, the spread is reduced. If only one of the targets is met, the spread is reduced by half of this amount. Lastly, in the worst case scenario where neither objective is met, the spread is not reduced at all. This ambitious initiative ensures that environmental performance has a direct impact on Carmila's business and financial decisions.

A "Use of proceeds" document established with the banks refers to this mechanism as well as the environmental monitoring indicators, their annual and final objectives and the type of projects to which the contribution will be allocated.

One of the key principles of this initiative is transparency. The performance indicators set out in the loan agreement will be assessed annually by the independent third party auditor.

4.5.1 Environmental monitoring indicators

Carmila's CSR strategy and the action plans and results obtained by the Group in recent years were deemed sufficiently robust by the banks to be linked directly to a credit facility.

The criteria used concern the fight against global warming and the green value of assets. With the help of Natixis and CACIB, the environmental indicators were chosen and their trajectories developed in line with the objectives of Carmila's CSR strategy The mechanism is also aligned with the recognised Sustainability-Linked Loan Principles, as updated in May 2021.

The two criteria chosen are:

- the percentage of BREEAM In-Use certification of Carmila's assets in the three countries: France, Spain and Italy;
- the reduction of greenhouse gas emissions on Scopes 1 & 2 in line with a 1.5° trajectory by 2030.

4.5.2 Green Fund

In addition to the margin adjustment mechanism described above, Carmila will pay an amount corresponding to three basis points of the interest and/or commitment fee regardless of the result of the environmental monitoring indicators.

The contribution linked to the sustainable bond issue is allocated exclusively to Carmila projects selected for their environmental excellence and whose financing would not otherwise be viable in normal circumstances. The Green Fund was set up to accelerate the improvement of the environmental footprint of real estate assets.

Eligible projects

Funds from the spread mechanism will be reinvested in projects selected for their environmental excellence.

Envisaged eligible projects mainly focus on the following issues:

- energy performance and management;
- the design and implementation of low carbon solutions.

These actions may therefore include improving building envelopes, renewing energy equipment and setting up systems to optimise equipment operation, etc.

Fund governance

For the past year, Carmila has had an Environmental Performance Committee, which assesses the environmental quality of certain investments on the basis of two priority impact criteria: energy and carbon. Projects' ancillary environmental impacts are also qualified so as to avoid any risk of impinging on other environmental criteria (i.e., the "do no significant harm" principle):

- waste generation and management;
- water use;
- biodiversity (qualitative criterion);
- green value and certification (qualitative criterion).

The Committee will therefore be able to identify investments eligible for the Green Fund where projects require additional financing:

- anticipated expenditure on equipment that is functional but not performing according to the environmental criteria listed above;
- identified the additional cost compared to lower-cost solutions and a business-as-usual scenario.

Transparency on the use of the Fund

The facility's environmental monitoring indicators will be reviewed annually by the independent third-party auditor within the framework of the Non-Financial Performance Statement in the Universal Registration Document.

Projects eligible for full or partial financing by the Green Fund will be subject to annual reporting to lenders based on the information provided by the Environmental Performance Committee.

4.6 Cross-reference tables, methodology and Statutory Auditor's report

A. Cross-reference table and figures

4.6.1 TCFD cross-reference table

Topics	TCFD recommendations	Concordance
Governance Describe the organisation's governance of climate-related risks and opportunities.	(a) Disclose the organisation's governance around climate-related risks and opportunities	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance
	(b) Describe management's role in assessing and managing climate-related risk	3.1 – Organisation and risk management – Organisation 4.2.1 – Combating climate change
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	3.2 – Organisation and risk management – Risk factors 4.1.2.1 – Risk identification and mapping
	(b) Disclose the impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	4.1.2 – CSR challenges and opportunities
	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario/	4.2.1 – Combating climate change 4.2.3.2 – Climate resilience plan
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	(a) Describe the organisation's processes for identifying and assessing climate-related risks.	3.1 – Organisation and risk management – Organisation 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
	(b) Describe the organisation's processes for managing climate-related risks.	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
Metrics and targets Describe the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	4.1.2.3 – Summary of the CSR strategy 4.2 – Here we act for the planet 4.3 – Here we act for local regions 4.4 – Here we act for employees
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.2.1.1 – Low carbon strategy
	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	4.1.2.3 – Summary of the CSR strategy 4.2 – Here we act for the planet 4.3 – Here we act for local regions 4.4 – Here we act for employees

4.6.2 GRI cross-reference table

	Standard number	URD Chapter
GRI Economic Standards		
Economic performance	201	2 – Business review and assets 6 – Financial statements
Market presence	202	1 – Integrated report
Indirect economic impacts	203	1 – Integrated report
Procurement practices	204	4.1.3.2 – Responsible value chain
Anti-corruption	205	4.1.3.1 – Ethics and respect for human rights
Anti-competitive behaviour	206	4.1.3.1 – Ethics and respect for human rights
GRI environmental standards		
Materials	301	4.2.3.1 – Environmental certifications
Energy	302	4.2.1.2 – Energy conservation and efficiency
Water	303	4.2.2.3 – Water
Biodiversity	304	4.2.2.1 – Biodiversity
Emissions	305	4.2.1.1 – Low carbon strategy
Waste	306	4.2.2.2 – Waste and the circular economy
Environmental compliance	307	4.1.1 – CSR organisation 4.1.2 – CSR challenges and opportunities
Supplier environmental assessment	308	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
GRI social standards		
Employment	401	Appendix A – Chapter 4
Labour/management relations	402	4.4.2 Talent management and engagement
Occupational health and safety	403	Appendix A – Chapter 4
Training and education	404	4.4.2 Talent management and engagement Appendix A – Chapter 4
Diversity and equal opportunity	405	4.4.1 Foster diversity Appendix A – Chapter 4
Non-discrimination	406	4.4.1 Foster diversity
Freedom of association and collective bargaining	407	4.1.3.2 – Responsible value chain 4.4.2 Talent management and engagement
Child labour	408	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
Forced or compulsory labour	409	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
Security practices	410	
Rights of indigenous peoples	411	
Human rights assessment	412	4.1.3.1 – Ethics and respect for human rights
Local communities	413	4.3.1.1. – Employment 4.3.1.3. – Dialogue with retailers 4.3.1.4. – Dialogue with customers 4.3.2.1 – CSR events
Social evaluation of suppliers	414	4.1.3.2 – Responsible value chain
Public policy	415	
Customer health and safety	416	4.1.2.3 – Summary of the CSR strategy – Health, well-being, safety and security risks
Marketing and labelling	417	4.1.2.3 – Summary of the CSR strategy – Health, well-being, safety and security risks
Customer privacy	418	
Socio-economic compliance	419	

4.6.3 SASB cross-reference table

Sustainability reporting and indicators

Topic	Code	Category	Indicator	URD Chapter
Energy management	IF-RE-130a.1	Quantitative	Energy consumption data coverage as a percentage of total floor area (%)	4 – Appendix B – Methodological details
	IF-RE-130a.2		(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable	(1) (2) (3) 4.2.1.2. Energy efficiency and frugality
	IF-RE-130a.3		Like-for-like percentage change in energy consumption	4.2.1.2. Energy efficiency and frugality
	IF-RE-130a.4		Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR	Information not reported
	IF-RE-130a.5	Description and analysis	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	4.2.1.2. Energy efficiency and frugality
Water management	IF-RE-140a.1	Quantitative	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress	(1) 4 – Appendix B - Methodological details (2) Information not reported
	IF-RE-140a.2		(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress	(1) 4.2.2.3. Water (2) Information not reported
	IF-RE-140a.3		Like-for-like percentage change in water withdrawn	(1) 4.2.2.3. Water
	IF-RE-140a.4	Description and analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	(1) 4.2.2.3. Water
Management of Tenant Sustainability Impacts	IF-RE-410a.1	Quantitative	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	The percentage of green leases is: 45% across the Group's three countries.
	IF-RE-410a.2		Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals	Information not reported
	IF-RE-410a.3	Description and analysis	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	4.1.1.2 Dialogue with stakeholders
Climate change adaptation	IF-RE-450a.1	Quantitative	Area of properties located in 100-year flood zones	Information not reported
	IF-RE-450a.2	Description and analysis	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	4.2.3.2. Climate Resilience Plan

4.6.4 EPRA cross-reference table

Environmental indicators: Here we act for the planet

EPRA code	Indicator	Unit	2019	2020	2021
H&S-Asset	Percentage of shopping centres located within 500 metres of a public transport link	%	58	58	95
	Percentage of customers travelling to shopping centres by car or motorcycle	%	85	90	87.6
	Percentage of customers travelling to the shopping centres by foot	%	8	5.3	6.4
	Percentage of customers travelling to the shopping centres by bicycle	%	1	1	0.5
	Percentage of customers travelling to shopping centres by public transport	%	6	4.3	5.3
	Number of charging stations for electric vehicles	Number	N/A	248	291
	Percentage of shopping centres equipped with charging stations for electric vehicles	%	N/A	20.2	40.25

EPRA code	Indicator	Unit	2019	2020	2021
	Total final energy consumption of common areas – reported scope	**kWh**	**163,916,047**	**148,455,127**	**143,085,333**
	Fossil fuels	kWh	38,599,145	38,115,158	40,675,069
	• Natural gas	kWh	38,508,733	37,986,222	40,482,393
Fuels – Abs	• Heating oil	kWh	90,412	128,936	192,676
Elec – Abs	Electricity	kWh	124,517,355	109,525,119	100,481,174
DH&C – Abs	District network	kWh	799,547	814,850	1,929,090
DH&C – Abs	• District heating	kWh	799,547	814,850	1,929,090
DH&C – Abs	• District cooling	kWh	0	0	0
	Other energies	kWh	0	0	0
Energy – Int	Energy intensity of common areas	kWh/sq.m.	176	159	149
	Total final energy consumption of common areas – like-for-like scope	**kWh**	**163,148,795**	**148,428,689**	**143,085,333**
	Fossil fuels	kWh	38,599,145	38,115,158	40,675,069
	• Natural gas	kWh	38,508,733	37,986,222	40,482,393
Fuels – Lfl	• Heating oil	kWh	90,412	128,936	192,676
Elec – Lfl	Electricity	kWh	123,750,103	109,498,681	100,481,174
DH&C – Lfl	District network	kWh	799,547	814,850	1,929,090
DH&C – Lfl	District heating	kWh	799,547	814,850	1,929,090
DH&C – Lfl	District cooling	kWh	0	0	0
	Other energies	kWh	0	0	0
Energy – Int	Energy intensity of common areas	kWh/sq.m.	176	160	149
	Renewable energy consumption	kWh	61,700	53,600	15,308,288
	Percentage of centres powered by renewable energy	%	1	1	11
GHG – Dir – Abs	**Total GHG emissions – market-based, of common areas under direct management – reported scope**	**tCO_2e**	**43,199**	**39,551**	**30,429**
GHG – Dir – Abs	Including direct emissions *(Scope 1)*	tCO_2e	6,693	6,644	7,099
GHG – Dir – Abs	*Of which indirect emissions – market-based (Scope 2)*	tCO_2e	28,708	25,856	16,665
GHG – Dir – Abs	*Of which upstream emissions – market-based (Scope 3)*	tCO_2e	7,798	7,050	6,664
GHG – Dir – Int	Carbon intensity of common areas – market-based	$kgCO_2e$/sq.m.	48	43	32
GHG – Ind – Abs	**Total GHG emissions - market-based, of common areas indirectly managed – reported scope**	**tCO_2e**	**201**	**138**	**136**
GHG – Ind – Abs	Including direct emissions *(Scope 3)*	tCO_2e	11	2	10
GHG – Ind – Abs	Of which indirect emissions – *market-based (Scope 3)*	tCO_2e	77	61	53
GHG – Ind – Abs	Of which upstream emissions – *market-based (Scope 3)*	tCO_2e	113	74	73
GHG – Ind – Int	Carbon intensity of common areas – market-based	$kgCO_2e$/sq.m.	11	6	7

EPRA code	Indicator	Unit	2019	2020	2021
GHG – Dir – Abs	**Total GHG emissions – location-based, of common areas – reported scope**	**tCO_2e**	**27,523**	**25,219**	**24,404**
GHG – Dir – Abs	Including direct emissions *(Scope 1)*	tCO_2e	6,693	6,644	7,099
GHG – Dir – Abs	Of which indirect emissions – *location-based (Scope 2)*	tCO_2e	18,388	16,284	15,014
GHG – Dir – Abs	Of which upstream emissions – *location-based (Scope 3)*	tCO_2e	2,441	2,291	2,291
GHG – Dir – Int	Carbon intensity of common areas – location-based	$kgCO_2e$/ sq.m.	30	28	26
GHG – Ind – Abs	**Total GHG emissions – location-based, of common areas – reported scope**	**tCO_2e**	**272**	**173**	**175**
GHG – Ind – Abs	Including direct emissions *(Scope 3)*	tCO_2e	11	2	10
GHG – Ind – Abs	Of which indirect emissions – *location-based (Scope 3)*	tCO_2e	179	115	110
GHG – Ind – Abs	Of which upstream emissions – *location-based (Scope 3)*	tCO_2e	83	55	54
GHG – Ind – Int	Carbon intensity of common areas – location-based	$kgCO_2e$/ sq.m.	15	8	10
GHG – Dir – Lfl	**Total GHG emissions – market-based, of common areas under direct management – like-for-like scope**	**tCO_2e**	**43,199**	**39,551**	**30,425**
GHG – Dir – Lfl	Including direct emissions *(Scope 1)*	tCO_2e	6,693	6,644	7,099
GHG – Dir – Lfl	Of which indirect emissions – *market-based (Scope 2)*	tCO_2e	28,708	25,856	16,665
GHG – Dir – Lfl	Of which upstream emissions – *market-based (Scope 3)*	tCO_2e	7,798	7,050	6,661
GHG – Dir – Int	Carbon intensity of common areas – market-based – like-for-like scope	kgCO2e/ sq.m.	48	43	32
GHG – Ind – Lfl	**Total GHG emissions – market-based, of common areas under indirect management – like-for-like scope**	**tCO_2e**	**167**	**137**	**136**
GHG – Ind – Lfl	Including direct emissions *(Scope 3)*	tCO_2e	11	2	10
GHG – Ind – Lfl	Of which indirect emissions – *market-based (Scope 3)*	tCO_2e	63	61	53
GHG – Ind – Lfl	Of which upstream emissions – *market-based (Scope 3)*	tCO_2e	93	74	73
GHG – Ind – Int	Carbon intensity of common areas – market-based – like-for-like scope	kgCO2e/ sq.m.	9	8	7
GHG – Dir – Lfl	**Total GHG emissions – location-based, of common areas – like-for-like scope**	**tCO_2e**	**27,523**	**25,219**	**24,404**
GHG – Dir – Lfl	Including direct emissions *(Scope 1)*	tCO_2e	6,693	6,644	7,099
GHG – Dir – Lfl	Of which indirect emissions – *location-based (Scope 2)*	tCO_2e	18,388	16,284	15,014
GHG – Dir – Lfl	Of which upstream emissions – *location-based (Scope 3)*	tCO_2e	2,441	2,291	2,291
GHG – Dir – Int	Carbon intensity of common areas – location-based – like-for-like scope	kgCO2e/sq. m	30	28	26
GHG – Ind – Lfl	**Total GHG emissions – location-based, of common areas – like-for-like scope**	**tCO_2e**	**226**	**171**	**175**
GHG – Ind – Lfl	Including direct emissions *(Scope 3)*	tCO_2e	11	2	10
GHG – Ind – Lfl	Of which indirect emissions – *location-based (Scope 3)*	tCO_2e	147	114	110
GHG – Ind – Lfl	Of which upstream emissions – *location-based (Scope 3)*	tCO_2e	69	54	54
GHG – Ind – Int	Carbon intensity of common areas – location-based – like-for-like scope	$kgCO_2e$/ sq.m.	12	9	10
GHG – Dir – Abs	**GHG Emissions from refrigerant leaks**	**ktCO2e**	**<1**	**<1**	**<1**
GHG – Ind – Abs	**Scope 3 GHG emissions (excluding upstream energy)**	**ktCO2e**	**931.2**	**624.4**	**566.1**
GHG – Ind – Abs	GHG emissions from consumption by private areas	$ktCO_2e$	76.0	20.8	17.7
GHG – Ind – Abs	GHG emissions from visitor transport	$ktCO_2e$	802.8	584.3	517.8
GHG – Ind – Abs	GHG emissions from waste	$ktCO_2e$	4.8	4.2	10.8
GHG – Ind – Abs	Purchasing-related GHG emissions	$ktCO_2e$	9.8	9.5	11.5
GHG – Ind – Abs	GHG emissions related to employee transport	$ktCO_2e$	<1	<1	<1
GHG – Ind – Abs	Construction-related GHG emissions	$ktCO_2e$	37.3	5.4	8.1
Water – Abs	Total water consumption – reported scope	cu.m.	618,516.3	562,700.1	515,097.8
Water – Lfl	Total water consumption – like-for-like scope	cu.m.	618,516.3	562,700.1	500,609.8
Water – Int	Water intensity – reported scope	cu.m./sq.m.	0.93	0.84	0.77
Water – Int	Water intensity – like-for-like scope	cu.m./sq.m.	0.93	0.84	0.75

EPRA code	Indicator	Unit	2019	2020	2021
Water – Int	Water intensity – reported scope	Litres/ visitor	N/A	1.04	0.99
Water – Int	Water intensity – like-for-like scope	Litres/ visitor	N/A	1.11	0.94
Cert – Tot	Environmental certification rate – by value	%	61	87.7	93.4
Cert – Tot	Percentage of shopping centres BREEAM In-Use certified by value	%	59	86	90.6
Cert – Tot	Percentage of shopping centres BREEAM New Construction certified by value	%	24	25	25.6
Cert – Tot	Number of BREEAM In-Use certified shopping centres	Number	48	99	129
Cert – Tot	Number of BREEAM New Construction certified shopping centres	Number	18	19	17
Tx-Bx Vert	Percentage of green leases signed on all assets in France	%	N/A	59	72
Waste – Abs	Total amount of waste – reported scope	tonnes	28,004	25,061	23,198
Waste – Abs	Amount of waste recovered – reported scope	tonnes	14,183	14,271	13,615
Waste – Abs	Waste recovery rate – reported scope	%	51	57	59
Waste – Abs	Total amount of organic waste – reported scope	tonnes	N/A	N/A	406.5
Waste – Abs	Total amount of plastic waste – reported scope	tonnes	N/A	N/A	96.5
Waste – Abs	Total amount of glass – reported scope	tonnes	N/A	N/A	32.0
Waste – Abs	Total amount of wood – reported scope	tonnes	N/A	N/A	41.1
Waste – Abs	Total amount of cardboard/paper waste – reported scope	tonnes	N/A	N/A	5,325.0
Waste – Abs	Total amount of non-hazardous industrial waste – reported scope	tonnes	N/A	N/A	17,266.5
Waste – Abs	Total amount of bulky waste – reported scope	tonnes	N/A	N/A	2.0
Waste – Abs	Total amount of scrap metal – reported scope	tonnes	N/A	N/A	9.8
Waste – Lfl	Total amount of waste – like-for-like scope	tonnes	N/A	25,045	23,182
Waste – Lfl	Amount of waste recovered – like-for-like scope	tonnes	N/A	14,268	13,613
Waste – Lfl	Waste recovery rate – like-for-like scope	%	N/A	57	59

4.6.5 Societal indicators: Here we act for local regions

EPRA code	Indicator	Unit of measurement	2019	2020	2021
Comty-Eng	Percentage of shopping centres (by portfolio value) with a centre management team having an employment initiative	%	31	77	100
	Percentage of shopping centres (by value) having a responsible second-hand offering	%	N/A	19	38.71
	Percentage of centres with a shopping centre management (by portfolio value)	%	N/A	84.2	84.5
Comty-Eng	Number of CSR events at centres with shopping centre management team	Number	1,616	797	1,121
	Number of marketing Kiosk campaigns at centres with shopping centre management team	Number	11,305	8,415	5,682
	Percentage of shopping centres (by portfolio value) having held a CSR event	%	N/A	80	99
H&S-Asset	Percentage of shopping centres having undergone a safety assessment	%	39	23	29
	Our average score from the safety assessment	%	N/A	95	96
	Percentage of shopping centres (by value) having distributed a customer and visitor satisfaction survey	%	94	89	95
	Customer and visitor satisfaction rate	%	82.3	77.9	86.8
	Percentage of shopping centres (by value) having distributed a retailer satisfaction survey	%	28	44	97
	Rate of retailer engagement with Carmila	%	N/A	73	70
	Retailer satisfaction rate	%	69	62	65
	Number of marketing Kiosks	Number	11,305	8,415	5,682

4.6.6 Social indicators: Here we act for employees

Topic	EPRA code	Indicator	Unit of measurement	2019	2020	2021
	Gov-Board	Membership of the highest governance body	Nb and ID			See chapter 5
	Gov-Selec	Procedure for nomination and/or selection to the highest governance body	Explanation			
	Gov-Col	Procedure in place to deal with conflicts of interest	Explanation			
Headcount		Total headcount at 31 December	Number	231	244	280
		Permanent headcount at 31 December	Number	N/A	172	167
		Average headcount at 31 December (1)	Number	N/A	243	234.1
		Staff on permanent contracts at 31 December (part- and full-time)	Number	190	196	216
		Staff on non-permanent contracts at 31 December (part- and full-time)	Number	5	6	12
		Number of employees on work-study programmes at 31 December	Number	36	42	48
		Number of interns at 31 December	Number	3	9	4
		Temporary headcount at 31 December	Number	3	3	0
		Non-permanent headcount at 31 December	Number	6	12	4
		Full-time headcount at 31 December	Number	229	242	279
		Part-time headcount at 31 December	Number	2	2	1
Diversity		Number of employees with a disability at 31 December	Number	1	1	1
		Percentage of employees with a disability at 31 December	%	0.43	0.41	0.36
	Diversity-Emp	Total number of women at 31 December	Number	119	132	161
	Diversity-Emp	Total number of men at 31 December	Number	112	112	119
	Diversity-Emp	Total number of women in management including executives at 31 December	Number	88	99	113
	Diversity-Emp	Total number of women in the non-management category at 31 December	Number	31	33	48
	Diversity-Emp	Total number of men in management including executives at 31 December	Number	98	99	103
	Diversity-Emp	Total number of men in the non-management category at 31 December	Number	14	13	16
	Diversity-Emp	Number of women on the Executive Committee at 31 December	Number	6	4	3
	Diversity-Emp	Number of men on the Executive Committee at 31 December	Number	8	8	6
	Diversity-Emp	Number of women on the Board of Directors at 31 December	Number	6	6	6
	Diversity-Emp	Number of men on the Board of Directors at 31 December	Number	10	10	7
		Number of employees under age 30 at 31 December	Number	65	72	97
		Number of employees between 30 and 50 years old at 31 December	Number	140	139	154
		Number of employees over age 50 at 31 December	Number	26	33	29
		Average age at 31 December (2)	Age	38.3	36.63	36.03

(1) GAIA: Q27.
(2) GAIA: Q33.

Topic	EPRA code	Indicator	Unit of measurement	2019	2020	2021
Turnover		Number of hires on fixed-term contracts at 31 December	Number	7	5	12
	Emp-Turnover	Total number of hires on permanent contracts at 31 December	Number	35	31	50
		• of which internal transfers within the Carrefour group	Number	8	9	16
		• of which non-permanent contracts converted into permanent contracts	Number	1	3	3
		• of which external hires	Number	26	19	31
		Number of dismissals of employees on permanent contracts at 31 December	Number	0	1	7
		Number of resignations of employees on permanent contracts at 31 December	Number	17	6	11
		Number of lapsed trial periods at 31 December (employee or employer initiative)	Number	2	4	1
		Number of mutually agreed terminations of employees on permanent contracts at 31 December	Number	3	9	4
		Number of employees transferred within the Carrefour group at 31 December	Number	4	5	5
		Other departures of employees on permanent contracts (retirement, death) at 31 December	Number	1	1	2
	Emp-Turnover	Total number of departures of employees on permanent contracts at 31 December	Number	27	26	30
	Emp-Turnover	Employee turnover at 31 December	%	17.22	15.16	18.52
Training	Emp-Training	Total number of training hours at 31 December (outsourced and online via CapFormation)	hours	2,960	2,734	2,893
	Emp-Training	Average number of training hours per employee	hours	15.58	16	21.75
	Emp-Training	Number of employees trained	Number	159	132	133
	Emp-Training	Percentage of employees trained	%	83.68	76.74	79.67
	Emp-Training	Training budget	€	386,782	277,520	139,059
		Budget used for training	€	16,000	64,297	131,634
		Estimated total payroll [(1)]	€	11,182,992	11,056,026	14,088,991
		Actual payroll (base pay including all bonuses)	€	14,852,770	15,269,760	16,426,750
		Hourly training rate	%	N/A	N/A	1
		Training contribution rate (training budget/ payroll) [(2)]	%	3.46	2.51	0.93
		Number of employees exposed to ethical risks	Number	101	140	175
		Number of risk-exposed employees trained in ethics	Number	95	130	175
		Proportion of employees who received training on ethical risks	%	94	92.86	100
		Number of employees who have signed the statement of independence	Number	N/A	172	191
		Percentage of people who have signed the statement of independence	%	N/A	70.49	100
		Number of training hours on CSR or environmental protection	hours	36	0	4
		Number of employees trained on CSR or environmental protection	Number	16	0	2
		Number of employees trained on road risks (or safe driving)	Number	1	33	0

(1) GAIA: Q610.
(2) GAIA: Q41.

Topic	EPRA code	Indicator	Unit of measurement	2019	2020	2021
Career development and pay		Average annual pay rise	%	N/A	3.20	3.25
	Diversity-Emp	Number of women on permanent contracts promoted during the year	Number	8	10	6
	Diversity-Emp	Number of men on permanent contracts promoted during the year	Number	12	5	4
	Diversity-Emp	Number of women hired during the year	Number	42	33	68
	Diversity-Emp	Number of men hired during the year	Number	27	19	36
	Diversity-Emp	Number of women trained during the year	Number	74	45	70
	Diversity-Emp	Number of men trained during the year	Number	88	61	63
		Average pay of female executives excluding SDs	€	82,721	100,887	91,413
		Average pay of male executives excluding SDs	€	105,080	136,788	115,840
	Diversity-Emp	Average salary for women in management positions	€	49,737	49,581	51,031
	Diversity-Emp	Average salary for men in management positions	€	56,531	56,691	57,714
	Diversity-Emp	Average salary for women in non-management positions	€	24,900	N/A	33,347
	Diversity-Emp	Average salary for men in non-management positions	€	N/A	N/A	33,732
		Executive pay gap	%	-21.28	-26.25	-20.4
		Management pay gap	%	-12.02	-12.54	-11.5
		Non-management pay gap	%	N/A	N/A	-1.1
Health, safety, quality of life in the workplace	Emp-Dev	Number of employees having had an annual appraisal ("cap carrière") during the year	Number	62	121	129
	H&S-Emp	Number of fatal workplace accidents	Number	0	0	0
	H&S-Emp	Number of occupational road accidents	Number	4	3	0
	H&S-Emp	Number of occupational illnesses (reported during the period)	Number	0	0	0
		Total number of occupational illnesses	Number	0	0	0
	H&S-Emp	Number of workplace accidents	Number	1	2	0
	H&S-Emp	Number of lost-time workplace accidents and occupational illnesses	Number	0	1	0
	H&S-Emp	Number of days off (occupational illness, workplace accident, other illness or unjustified absence)	days	1,165	1,291	930.5
		Number of people with paternity leave	Number	1	5	9
		Number of people with maternity leave	Number	4	8	4
		Days off work due to maternity leave	days	529	901	414
		Days off work due to paternity leave	days	11	122	135
	H&S-Emp	Days off work due to a workplace accident	days	4	44	0
	H&S-Emp	Days off work due to an occupational illness	days	0	0	0
	H&S-Emp	Days off work due to an occupational illness or a workplace accident	days	4	44	0
	H&S-Emp	Workplace accident frequency rate	%	0.2	2.62	0
	H&S-Emp	Workplace accident severity rate	%	2.6	9.12	0
	H&S-Emp	Absenteeism rate	%	5.4	2.57	1.24
		Number of employees authorised to home work	Number	10	78	33
		Participation rate in the engagement survey	%	73	80	89
		Collective bargaining agreements	Number	6	5	4
		Number of meetings held with employee representatives	Number	19	31	28
		Number of reports of ethics violations	Number	1	0	6

B. Reporting method

CSR reporting is based on the financial scope. As of 31 December 2021, Carmila owned 217 sites. Scope restrictions are provided depending on the CSR indicators. For all of its reporting, Carmila includes within its scope the three countries: France, Spain and Italy, unless otherwise stated.

Environmental indicators

The reporting period for environmental information is 1 October of the prior year to 30 September of the year under review, except for environmental and biodiversity certifications.

Environmental certification rate

The indicator is used to confirm the environmental quality of the assets which guarantee sustainable and environmentally friendly design and management, as well as attractiveness to visitors, retail brands and investors. For the purposes of this document, any environmental action relating to an asset validated by a recognised third party is considered certified. The indicator relates to all assets under development or in operation in the Carmila portfolio in the three countries where the Company is present at 31 December of the year under review. The entire portfolio is covered apart from:

- sites sold or acquired by Carmila in the reporting year;
- sites that have been managed by Carrefour Property for less than a year;
- sites without common areas and/or shared technical equipment;
- sites where Carmila is not the majority owner of the shopping centre.

Reported asset value: 94.8%.

Estimated asset value: 0%.

Energy intensity

The indicator is used to calculate energy savings and costs attributable to the energy management policy of shopping centres.

Scope

Any missing or inconsistent consumption information is estimated by extrapolating the surface area data to the rest of the site for a given data item. The scope also includes Carmila's head office.

Common areas

Common areas include the malls and any areas that are heated, ventilated, air-conditioned (excluding car parks) with shared heating, air conditioning and hot water systems provided by the property complex manager. Energy includes the consumption of gas, electricity, heating oil, district heating and cooling networks and renewable energy from 1 October of the prior year to 30 September of the year under review. As such, the energy consumption of private areas (occupied by tenants) that are not connected to common areas are excluded from the scope of consumption. It should be noted that the consumption of heating oil represents deliveries of heating oil billed over the year, and not the actual consumption of generators.

Tenants operating directly out of the common areas (stands) and any pop-up stores (leases of less than three years) without their own meter may be included in the consumption for the common areas insofar as Carmila remains the purchaser of the energy consumed. However, the consumption of digital advertising panels as well as the consumption of common areas generated by opening hypermarkets and supermarkets when the centre itself is closed are excluded from the calculation.

Calculation methods

Energy intensity is expressed as final energy, which is the energy consumed by the end user. It corresponds to the remote reading, bill or, failing that, an estimate of consumption based on total energy spending. Where data is missing, an estimate is made based on other data in the reporting period.

The methods for calculating consumption in common areas and private areas using shared equipment are those defined by EPRA guidelines.

Reported and estimated rate (as a percentage of portfolio value)

Reported asset value: 99.5%.

Estimated asset value: 11%.

Water intensity

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites with a fixed annual estimate.

In France, the scope is also limited to the consumption of sanitary facilities. The data for other sources of consumption are currently unavailable for France.

In Italy and Spain, all items are included: sanitary facilities, HVAC, green areas and cleaning, with the exception of fire safety.

Only sites with a known number of visitors are reported under this indicator.

Calculation methods

Water intensity is expressed in cubic metres per square metre (cu.m./sq.m.) for the surface areas of common areas and in litres per visitor. Where data are missing, an estimate is made based on other data in the reporting period and on the number of visitors. Sites that do not have data on the number of visitors are therefore excluded from the scope. The surface area of common areas is used to report water intensity per square metre, using the same method as for energy intensity.

Reported and estimated rate (as a percentage of portfolio value) for water intensity in litres/visitor

Reported asset value: 89.7%.

Estimated asset value: 44%.

Reported and estimated rate (as a percentage of portfolio value) for water intensity in cu.m./sq.m.

Reported asset value: 99.5%.

Estimated asset value: 54%.

Waste recovery rate

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites acquired or sold during the year under review;
- standalone retail units whose property management is entrusted to Carrefour Property or another asset manager.

In 2018, reporting covered only 58 sites in France and 14 in Spain. In 2019, head offices were added to the list, along with further assets in France and especially Italy. By 2021, reporting covered all of Carmila sites in all three countries, rounded out by estimations of waste and recovery tonnages where necessary.

Calculation methods

Recovery is expressed as a percentage of tonnage of recovered waste relative to total waste production. Where data are missing, an estimate of the tonnages of non-hazardous industrial waste and cardboard produced and recovered is made from the data reported for the period and on the basis of the total surface area of the centre (linear extrapolation).

Reported and estimated rate (as a percentage of portfolio value) for waste production

Reported asset value: 99.5%.

Estimated asset value: 23%.

Percentage of sites that have rolled out an initiative in favour of biodiversity

This indicator reports on the measures implemented to preserve the biodiversity of the sites. The actions taken into account are the following:

- setting up of beehives;
- installing nesting boxes;
- installing insect hotels;
- eco-pastures;
- planting flower meadows;
- green walls;
- collaborative vegetable gardens;
- biodiversity-related label (e.g., BiodiverCity);
- responsible maintenance practices.

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites acquired or sold during the year under review;
- standalone retail units whose property management is entrusted to Carrefour Property or to another manager.

Calculation methods

The indicator is the ratio of the asset value of the shopping centres that have implemented a measure to the total value of the portfolio (without exclusions).

Reported and estimated rate (as a percentage of portfolio value)

Reported asset value: 99.5%.

Estimated asset value: 0%.

Greenhouse gas emissions from energy consumption for the three countries (tCO_2) – Scopes 1, 2 & 3

This indicator is used to consolidate all greenhouse gas emissions from the energy consumption of common areas and private areas serviced by shared equipment. The reporting period is the same as that for other environmental indicators, from 1 October of the prior year to 30 September of the year under review, with the start date used as the baseline. The scope, exclusions and estimates are the same as those applied for the energy intensity indicator. The market-based methodology applies emission factors by type of energy and by country, taken from the carbon database of the French energy agency, ADEME, to calculate emissions for each form of consumption. For the market-based methodology, the emission factors applied are the residual factors of the AIB and those of electricity suppliers in France. Emission factors from energy suppliers were unavailable in 2021, but data will be collected for 2022.

Carbon intensity of common areas (tCO_2/sq.m.)

This indicator is used to consolidate all greenhouse gas emissions from the energy consumption of common areas and private areas serviced by shared equipment as a ratio of the surface area of common areas and private areas serviced by shared equipment in sq.m. The scope, reporting period, exclusions and estimates are identical to those for the indicators "Greenhouse gas emissions from energy consumption for the three countries" and "Energy intensity". Market-based and location-based methodologies are identical to the methodology for the indicator "Greenhouse gas emissions from energy consumption for the three countries".

Greenhouse gas emissions from business travel of employees in France, Spain and Italy (tCO_2) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from the business travel of employees in France. The reporting period is the same as that for other environmental indicators, from 1 October of the prior year to 30 September of the year under review, with the start date used as the baseline. For this reporting year, only employees in France, Spain and Italy are included. The scope includes train, plane and car travel by Group employees (excluding commutes).

Greenhouse gas emissions from visitor travel in France, Spain and Italy (tCO_2e) – Scope 3

The indicator is used to consolidate all greenhouse gas emissions from visitor travel to Carmila's shopping centres. For this second year of reporting, all three countries are included. In France, this indicator is calculated annually on the basis of visitor surveys carried out by each shopping centre. In Spain and Italy, the results for France are extrapolated to these two countries based on the value of the assets. An average is taken from responses for all shopping centres, extrapolated from the total number of visitors who have visited the centres using a counting system. For the year under review, France is included in the reported scope, with data for Spain and Italy included based on estimations.

Greenhouse gas emissions from waste management (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from waste treatment at Carmila's shopping centres. For the year under review, it covers France, Spain and Italy. The indicator is calculated annually based on reported tonnage data and does not include estimates made for the waste recovery indicator. The greenhouse gas emission factors from end-of-life treatment were updated to take into account the latest values published by Ademe.

Emissions from construction or the restructuring of assets (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from the construction and renovation of assets. It relates to areas built or restructured during the year. Only assets covering an area of over 1,000 sq.m. are taken into account. The emission factor used corresponds to the construction of commercial buildings/concrete structures (ADEME) – i.e., 550 kgCO2/sq.m.

Greenhouse gas emissions associated with Carmila's purchases in France, Spain and Italy (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions associated with purchases. The reporting period is the same as that for other environmental indicators.

The emission factors in $kgCO_2$ per euro associated with each type of purchase are based on the ADEME carbon database.

Labour indicators

Number of CSR events

This indicator is used to calculate the ability to establish the activities of the shopping centre in its region and to promote relations with local residents and stakeholders (charities, etc.). This indicator is used to monitor and record the number of events held on sites each year. Five topics are taken into account:

- access to culture and sport;
- charity and community outreach;
- regional, economic and social impact;
- public health;
- sustainable development.

This indicator applies to shopping centres with a centre management team in France, Spain and Italy. Sites without public common areas (business parks) and sites where the shopping centre management team has not completed a full year of operation are excluded. The indicator covers 82% of the Group's portfolio in terms of value.

Customer and visitor satisfaction rate

This indicator is used to measure visitor satisfaction, especially as regards the comfort of the different visitor journeys. It is used to monitor changes in customer satisfaction.

Its scope includes 186 sites owned and managed by Carmila in France, Spain and Italy, amounting to 95% of Group scope in terms of value.

For the rate of satisfied customers, the scores "Somewhat satisfied" and "Very satisfied" and scores of 7 or more out of 10 are taken into account.

The Group satisfaction rate is calculated as the weighted average (by number of visitors per country per year) of the rates for each country.

As the Group's consolidation method was revised this year, 2019 and 2020 data have been recalculated.

Customer and visitor NPS

This indicator reflects customer satisfaction and loyalty, through the Carmila recommendation rate. It is defined as the percentage of detractors subtracted from the percentage of promoters.

Its scope includes 186 sites owned and managed by Carmila in France, Spain and Italy, amounting to 95% of Group scope in terms of value.

The Group NPS is calculated as the weighted average (by number of visitors per country per year) of the NPS of each country.

Retailer satisfaction rate

In France, a survey was conducted internally at 189 centres in 2021, covering 97% of the Group's assets in terms of value.

For the rate of satisfied retailers, scores of 7 or more out of 10 are taken into account.

Responsible second-hand offering

This indicator is used to measure Carmila's ability to adapt to new market trends and consumer needs.

The second-hand offering must cover at least 50% of the store's leasable area or shelf space and meet several criteria. Certain conditions immediately disqualify the shopping centre from providing a second-hand offering, such as: wastage/mismanagement of waste and energy, greenwashing, child labour, non-compliance with labour standards, social inequality, use of controversial/toxic products.

The indicator is calculated as the percentage of shopping centres, in terms of portfolio value, that have a second-hand offering during the year under review. Shopping centres with more than one offering are only counted once.

The indicator covers 82% of the Group's portfolio. Sites without a shopping centre management team or public common areas (business parks), and sites where the shopping centre management team has not completed a full year of operation, are excluded from this indicator.

Labour indicators

Staff turnover

This indicator assesses the ability to retain key skills and maintain employee engagement. Poor working conditions can lead to excessive turnover and erode the employer brand image. Temporary secondments of employees to another company within the Group are not included in the number of departures.

The indicator covers employees on full-time permanent contracts.

It is calculated as follows: (Number of departures of employees on permanent contracts in the year + Number of new hires on permanent contracts during the year)/2/Staff on full-time permanent contracts at 1 January of the same year.

Employee satisfaction rate

This indicator is used to measure quality of life at work. The scope covers the three countries. These data are from the annual satisfaction surveys conducted with responses to the question: "are you satisfied with your job?" Scores of 7 or more out of 10 are taken into account when calculating the satisfaction rate.

Three countries: surveys are conducted by the Data Insight department. An email is sent to all Group employees (except the Executive Committee) at the time of the survey.

Average annual manager compensation by gender

This indicator is used to assess the gender pay gap in the management category, which is the most representative within the Company. The scope includes employees present at 31 December of the year under review, on a full-time permanent contract in effect.

Senior managers, executives, employees, supervisors and managers without bonuses are excluded.

The compensation of part-time employees is also excluded from the calculation.

Average annual gross compensation as of the employee's pay for December is used for the indicator. Bonuses are not taken into account.

The pay gap between managers is calculated as follows:

(Average annual compensation of female managers – Average annual compensation of managers who are men)/Average annual compensation of managers who are men

Percentage of employees trained

Every year, Carmila measures the percentage of employees trained. The indicator is determined as follows:

Number of employees trained/Permanent staff in current year.

Percentage of employees trained who are most exposed to the risk of bribery and corruption

Each year, the Ethics Committee designates jobs that are exposed to corruption risks (principals, negotiators, positions involving approval and authorisation from elected and public officials), based on the Carrefour group's risk map. The indicator assesses the company's ability to provide an ethical environment. Employees are counted as trained in the year under review if they were trained in the prior year or in the year under review. This indicator covers Group staff (three countries) in service from 1 January to 31 December of the year in question.

4.6.7 Statutory Auditor's report

Report by the Statutory Auditor, appointed as independent third party, on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended 31 December 2021

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter "the entity"), appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049[1], we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2021, voluntarily provided by your company, pursuant to the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on our work, as described in the section "Nature and scope of our work", and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Preparation of the non-financial statement

The lack of a generally accepted and commonly used reference framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are presented in the Statement and are available on request from the entity's head office.

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 presented in the Statement is sensitive to methodological choices, assumptions and/or estimates made in its preparation.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.
- implementing the internal control procedures it deems necessary for the preparation of information that is free of material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the aforementioned Guidelines of the entity.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (whether observed or extrapolated) provided in accordance with Article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks.

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not authorised 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 French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable French professional standards

The work described below was performed in accordance with the provisions of Article A.225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) applicable to such audit engagements and with ISAE 3000 (Revised)[2]:

(1) Cofrac Inspection accreditation, No. 3-1049 whose scope is available at www.cofrac.fr.
(2) ISAE 3000 (Revised) – Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. 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 the French professional standards for Statutory Auditors applicable to such engagements.

Means and resources

Our work was carried out by a team of five persons between December 2021 and February 2022 and lasted around four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity 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 as well as the information set out in paragraph 2 of article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators relating to the main risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks, as well as the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented; and
  - we corroborated qualitative information (actions and outcomes) that we considered to be the most important, as specified in the Appendix. For certain risks[1], our work was carried out at the level of the consolidating entity, and for others, our work was conducted at the level of the consolidating entity as well as a sample of entities[2].
- We verified that the Statement covers the scope of consolidation, i.e., all the entities included in the scope of consolidation in accordance with Article L. 233-16 within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important as presented in the Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques or other methods of selection, 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 and covers between 32% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in France; a higher level of assurance would have required us to carry out more extensive procedures.

Paris La Défense, 21 February 2022

KPMG SA

Fanny Houlliot	Adrien Johner
Partner	*Partner*
Sustainability Services	

(1) Health, safety and security; Diversity; Talent management and engagement; Resilience and green value; Ethics; Responsible purchasing.
(2) Carmila France; Carmila Italy.

Appendix

Qualitative information (actions and results) considered most important
Partnership agreement to support the integration of people with disabilities
Inspection of eco-mobility solutions
Impact study on waste management
Responsible landscaping maintenance process
Environmental audit of sites
Site resilience study
Actions to raise staff awareness of ethics and the Sapin II law
Responsible Purchasing Charter
Actions implemented to improve customer experience and service in shopping centres

Key performance indicators and other quantitative results considered most important
LABOUR INFORMATION
Staff on permanent contracts (part-time and full-time) at 31 December
Management pay gap
Percentage of employees trained
Frequency rate of workplace accidents leading to absence
Percentage of employees exposed to risks of corruption or influence-peddling having received specific training
ENVIRONMENTAL INFORMATION
Energy consumption and energy intensity in common areas
Carbon intensity of common areas
Total greenhouse gas emissions – Scope 1, 2 & 3
Waste recovery rate
Percentage of shopping centres that have rolled out an initiative in favour of biodiversity
Water intensity (water consumption per visitor)
Environmental certification rate
SOCIAL INFORMATION
Local purchasing index operational on current project contracts
Number of free Kiosk campaigns
Customer and visitor satisfaction rate
Retailer satisfaction rate
Percentage of centres running one or more CSR events during the year

5. Corporate governance

The practices of the Company's governance bodies are governed by the relevant legal provisions, the Company's By-Laws and the Board of Directors' Rules of Procedure.

In particular, the Rules of Procedure set out the procedures for holding Board of Directors' meetings, specify its powers beyond those provided for by law or the Company's By-Laws and, additionally, cover the creation, roles and responsibilities of the various Committees of the Board of Directors. The Board of Directors ensures that the Rules of Procedure are regularly reviewed, so that they can be adapted to incorporate changes in corporate governance rules and best practice.

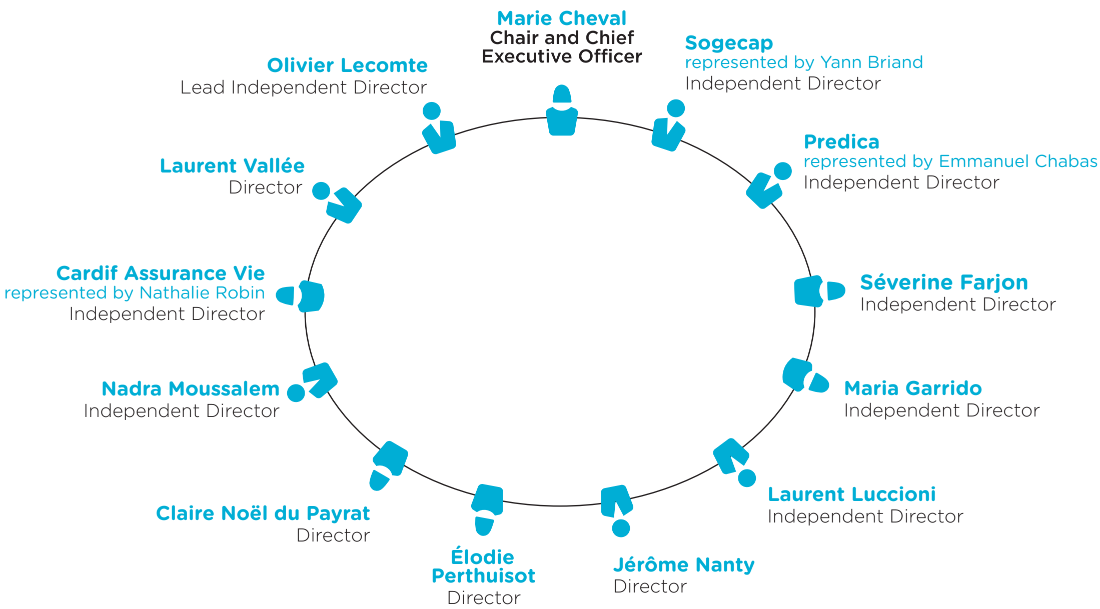
The Company refers to the AFEP-MEDEF Code of Corporate Governance (AFEP-MEDEF Code), as revised in January 2020. The AFEP-MEDEF Code may be consulted at the Company's registered office and on the MEDEF and AFEP websites at www.medef.com and www.afep.com, respectively.

In accordance with the AFEP-MEDEF Code, and pursuant to Article L. 225-37 of the French Commercial Code, the Company complies with all the recommendations of the AFEP-MEDEF Code.

CORPORATE GOVERNANCE STRUCTURE

* The Committee is chaired by an independent Director.

MEMBERSHIP OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2021



5.1 Carmila's corporate governance

5.1.1 Executive Management team

5.1.1.1 Executive Management structure

In accordance with Article 14 of the Company's By-Laws, the Company's Executive Management structure is determined by the Board of Directors.

At its meeting of 12 June 2017, the Board of Directors decided to combine the previously separate duties of Chair of the Board of Directors with those of Chief Executive Officer, in order to enhance the efficiency of the decision-making process within the Company and to strengthen corporate cohesion.

On 2 November 2020, on the recommendation of the Nomination and Compensation Committee, the Board of Directors appointed Marie Cheval as Chair and Chief Executive Officer, with effect from 3 November 2020 until the General Meeting called to approve the financial statements for the year ending 31 December 2023. On 26 November 2020, acting on the proposal of the Nomination and Compensation Committee, the Board of Directors confirmed Sébastien Vanhoove's term of office as Deputy Chief Executive Officer.

Executive Management team

Marie Cheval – Chair and Chief Executive Officer

Marie Cheval is a graduate of Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the French General Inspectorate of Finance. From 2002 to 2011, she held a number of positions with the La Poste group, including Director of Financial Services Strategy for La Poste and later for La Banque Postale. Also at La Banque Postale, she was Marketing and Sales Director (2006-2009) and Director of Operations (2009-2011). In 2011, she joined the Société Générale group as Director of Global Transactions and Payment Services, and was then appointed Chief Executive Officer of Boursorama in 2013. On 2 October 2017, she joined the Carrefour group as Executive Director, Customers, Services and Digital Transformation, before becoming Executive Director, Hypermarkets France and Group Financial Services in September 2018.

Marie Cheval, a Director of Carmila since 2017, was appointed Chair and Chief Executive Officer by the Board of Directors on 2 November 2020 to replace Alexandre de Palmas.

Sébastien Vanhoove – Deputy Chief Executive Officer

Sébastien Vanhoove has a Masters in Advanced Studies in Corporate Law from the University of Lille and a Masters in Advanced Business Administration from IAE Caen. He began his career as in-house counsel then Head of Legal at Immochan and Gesceco, then Immobilière Carrefour. He went on to join A2C, part of the SNCF group, where, between 2003 and 2013, he held the positions of Legal and Rental Management Director, Chief Operating Officer then Deputy Chief Executive Officer, responsible for defining and implementing a policy to enhance retail areas, tailored to each station. In 2014, he joined Carrefour Property France, where he held the position of Chief Operating Officer, then Deputy Chief Executive Officer. He has been Chief Executive Officer of Carrefour Property France since November 2017 and is responsible for managing human capital, project operations and sites, including defining and implementing development, extension and restructuring projects and, since October 2019, the functional management of Carrefour Property Spain and Italy. In August 2018, Sébastien Vanhoove was appointed Deputy Chief Executive Officer of Carmila, and his term of office was confirmed on 26 June 2019, following the appointment of Alexandre de Palmas as Chairman and Chief Executive Officer, replacing Jacques Ehrmann.

On 26 November 2020, Sébastien Vanhoove was appointed Deputy Chief Executive Officer to Marie Cheval, appointed Chair and Chief Executive Officer of Carmila at the Board of Directors meeting of 2 November 2020.

5.1.1.2 Executive Management powers

Decisions requiring the prior authorisation of the Board of Directors

Pursuant to the Board of Directors' Rules of Procedure and without prejudice to the applicable laws and regulations, none of the following decisions (or the principal components of such decisions) may be validly taken without prior approval by the Board through a simple majority of the votes of the Directors present or represented at the relevant meeting:

(i) any transaction or agreement likely to affect the business strategy of the Company and its Subsidiaries, the scope of their activity or their tax treatment;

(ii) any transaction that affects the share capital of the Company or of one of its Subsidiaries, immediately or in the future, (such as a merger, spin-off, partial asset contribution, capital increase, capital reduction, issue of securities giving access to the share capital of the Company or one of its Subsidiaries, etc.), unless it concerns an intra-Group transaction;

(iii) the approval of the annual budget of the Company and its Subsidiaries (including the income statement, balance sheet, annual financing plan and annual investment plan [capex]);

(iv) any transaction or commitment with a value greater than €15 million, in particular:

- any proposed transfer (in the form of a contribution, exchange, acquisition or sale) of real estate or tangible assets or rights, debt claims, leasehold rights or intangible assets by the Company or one of its Subsidiaries (with the €15 million threshold calculated on the basis of asset value excluding transfer taxes and duties),
- any proposed total or partial transfer (in the form of a subscription, contribution, exchange, acquisition or sale) of shares or securities of any group or company, in law or in fact, by the Company or one of its Subsidiaries,
- any proposed investment (capex) by the Company and/or the Subsidiaries in its or their real estate assets (including renovation and extension plans), and
- any proposed transaction and any settlement with respect to the Company or one of its Subsidiaries in connection with a dispute or other litigation.

The prior authorisation mentioned in this paragraph (iv) does not apply to intra-Group transactions;

(v) any proposal involving the granting by the Company or one of its Subsidiaries of a loan, cash advance or advance on a current account to a person or entity that is not a Subsidiary exceeding a total combined annual amount for the Company and its Subsidiaries of €5 million for all loans and advances granted;

(vi) the subscription of any debt by the Company and its Subsidiaries, including by issuing debt securities (except for intra-Group advances granted by the Company to the Subsidiaries), any refinancing or any extension, renewal or modification of existing debt, in each case for an amount greater than or equal to €200 million per transaction, with the Chief Executive Officer reporting transactions below said threshold to the Board;

(vii) the granting of guarantees, pledges, undertakings, security interests or liens by the Company or its Subsidiaries (i) to third parties for an annual amount greater than or equal to €500,000 per undertaking and in excess of a total combined annual amount of €5 million for the Company and its Subsidiaries, and (ii) to Subsidiaries for an annual amount greater than or equal to €10 million per undertaking and exceeding a total combined annual amount of €100 million for the Company and its Subsidiaries;

(viii) the creation or substantial modification of the general framework and financing conditions for services relating to lease management, asset management, shopping centre management, marketing or Specialty Leasing of real estate assets held by the Company and its Subsidiaries in cases where such services are part of an agreement with a Reference Shareholder (defined as any entity having a significant direct or indirect influence on the Company) and/or any Affiliate of such Reference Shareholder and the early termination or renewal of such agreements (the conclusion or amendment of such agreements need not be submitted to the Board, provided that they comply with the general framework and financing conditions approved by the Board, such that they constitute agreements entered into under the general framework previously approved by the Board). The Directors representing the Reference Shareholder (other than the Chair) do not vote on these decisions; and

(ix) the conclusion, substantial modification, early termination or renewal of any agreement mentioned below between (a) the Company and/or one of its Subsidiaries and (b) a Reference Shareholder and/or any Affiliate of such Reference Shareholder:

a. the Renovation and Development Agreement,
b. any agreement relating to the provision of administrative or accounting services for a per-agreement amount exceeding €200,000 (excluding tax) per year,
c. any agreement relating to the granting of loans, advances, guarantees, pledges, undertakings, security interests or liens to a Reference Shareholder and/or any Affiliate of such Reference Shareholder,
d. any agreement relating to the transfer (in the form of a contribution, exchange, acquisition or sale) of real estate or tangible assets, shares or securities or intangible assets in an amount individually exceeding €2 million (excluding transfer taxes and duties), or
e. any other agreement in respect of which the total amount to be paid exceeds €2 million (excluding tax) per year, other than (a) agreements entered into or transactions carried out pursuant to the Renovation and Development Agreement and/or the above-mentioned agreements and (b) agreements entered into in the normal course of business (i.e., maintenance, renovation and development work related to real estate assets held by the Company and its Subsidiaries).

The Directors representing the Reference Shareholder do not vote on these decisions.

For the purposes of the foregoing:

(i) "Affiliate" means, with regard to a person, any entity that directly or indirectly, through one or several entities, controls such person, is controlled by such person, or is under the same Control as such person;

(ii) "Control" means, with regard to a person, directly or indirectly holding at least fifty per cent (50%) of the capital and voting rights of such person; and

(iii) "Subsidiary" means, at any time, any entity directly or indirectly controlled by the Company.

5.1.1.3 Implementation of a diversity and gender balance policy within the governance bodies

Carmila's Executive Management has always sought to pursue a policy of diversity in its recruitment process and to maintain a balanced representation of men and women within its governance bodies.

The diversity policy informs all human resources decisions, from the recruitment process to succession planning, and seeks to ensure appropriate diversity not only in terms of gender but also of age, nationality and professional background.

After signing the Diversity Charter on 28 September 2018, a Responsible Recruitment Charter aimed to ensure strict compliance with anti-discrimination rules when recruiting new staff has been prepared for signature.

In compliance with the recommendations of the AFEP-MEDEF Code, Carmila's Executive Management proposed gender balance targets and an action plan to the Board of Directors at its meetings of 26 March 2021 and then 24 March 2022.

The workplace equality index is taken into account in the performance criteria for Carmila's 2020 free preference share plan (2020 FPSP) and 2021 free share plan (2021 FSP).

In 2020, the Social and Economic Committee set up a Gender Equality Committee, which made proposals for improving gender equality at Carmila across all job grades.

In parallel, the Human Resources Department, in collaboration with Carmila's CSR Department, defined objectives –with performance indicators – to encourage concrete actions to achieve gender balance within the governance bodies.

Career Committees are regularly organised to identify Carmila's top and promising talents. At these meetings, special attention was paid to women identified as highly promising and their career development plans. A gender pay gap analysis is performed each year across the Group and the Executive Committee informed of the outcome. A specific budget is set aside to reduce any gender pay gaps.

Carmila encourages its women members of staff to take part in the "Carrefour Elles" programme run by the Human Resources department, which has committed to increasing the number of participants in the next session.

In 2021, Carmila signed the Charter of commitment to workplace gender equality in real estate companies and organisations.

In parallel, Executive Management is also setting up a training programme specifically oriented towards leadership, mindfulness, public speaking and stress management, for women identified as highly promising.

Lastly, members of the Executive Committee and managers are being given awareness sessions on unconscious biases.

A new gender equality agreement will be negotiated with the employee representative bodies in 2022.

5.1.1.4 Reviewing a succession plan for corporate officers and key senior executives.

On the recommendation of the Nomination and Compensation Committee, at its meeting of 26 March 2021 the Board of Directors reviewed an emergency succession plan and a mid- to long-term succession plan for the corporate officers as well as all the members of its Management. This succession plan was reviewed and updated by the Nomination and Compensation Committee at its meeting on 24 March 2022.

5.1.2 Board of Directors and its Committees

5.1.2.1 Membership of the Board of Directors and its Committees at 31 December 2021

In accordance with the By-Laws in force, the Board of Directors must have at least three and no more than 18 members. At 31 December 2021, the Board of Directors was made up of 13 Directors, including 1 Lead Independent Director.

The duration of a Director's term of office is four years. However, the Annual General Meeting may designate one or several Directors for a different duration not exceeding four years so that the Board of Directors may be re-appointed each year on a staggered basis, in accordance with the recommendations of the AFEP-MEDEF Code.

The table below shows the membership of the Company's Board of Directors at 31 December 2021:

Member of the Board of Directors	Gender	Nationality	Age	Independence	First appointed	Start of current term	End of current term[1]	Length of service on the Board	Number of shares held	Membership of Committees
Marie Cheval Chair and Chief Executive Officer	W	France	47	No	03/10/2017	29/06/2020	31/12/2023	51 months	5,939	SIC CSRC
Olivier Lecomte Lead Independent Director	M	France	56	Yes	12/06/2017	29/06/2020	31/12/2023	54 months	1,131	AC (Chairman) NCC
Sogecap (rep. by Yann Briand) Director	M	France	47	Yes	12/06/2017	18/05/2021	31/12/2024	54 months	8,224,492	AC
Predica (rep. by Emmanuel Chabas) Director	M	France	45	Yes	12/06/2017	18/05/2021	31/12/2024	54 months	14,068,956	SIC
Séverine Farjon Director	W	France	47	Yes	12/06/2017	16/05/2019	31/12/2022	54 months	1,001	NCC (Chair) CSRC (Chair)
Maria Garrido Director	W	Spain	48	Yes	16/05/2018	16/05/2018	31/12/2021	43 months	1,000	AC CSRC
Laurent Luccioni Director	M	France	50	Yes	12/06/2017	29/06/2020	31/12/2023	54 months	1,089	NCC
Nadra Moussalem Director	M	France	45	Yes	12/06/2017	29/06/2020	31/12/2023	54 months	1,000	SIC
Jérôme Nanty Director	M	France	60	No	03/04/2019	16/05/2019	31/12/2022	36 months	1,000	NCC SIC
Claire Noël Du Payrat Director	W	France	53	No	24/10/2018	16/05/2019	31/12/2022	38 months	1,000	AC
Élodie Perthuisot Director	W	France	45	No	18/05/2021	18/05/2021	31/12/2024	6 months	1,000	-
Cardif Assurance Vie (rep. by Nathalie Robin) Director	W	France	59	Yes	12/06/2017	18/05/2021	31/12/2024	56 months	12,944,249	SIC (Chair) CSRC
Laurent Vallée Director	M	France	51	No	04/09/2017	29/06/2020	31/12/2023	52 months	1,000	SIC NCC CSRC

AC: Audit Committee
NCC: Nomination and Compensation Committee
SIC: Strategy and Investment Committee
CSRC: CSR Committee.
(1) Annual General Meeting called to approve the financial statements for the financial year then ended.

5.1.2.2 Changes in the membership of the Board of Directors and its Committees during 2021

The table below shows the changes in the membership of the Board of Directors and its Committees during 2021:

	Departures	Appointments/ co-optations	Re-appointments
Board of Directors	Alexandre de Palmas Axa Reim France represented by Amal del Monaco Pedro Arias[(1)] Laurent Fléchet[(1)]	Élodie Perthuisot	Sogecap represented by Yann Briand Predica represented by Emmanuel Chabas Cardif Assurance Vie represented by Nathalie Robin
Audit Committee	-	-	Sogecap represented by Yann Briand
Strategy and Investment Committee			Cardif Assurance Vie, represented by Nathalie Robin (Chair) Predica represented by Emmanuel Chabas
Nomination and Compensation Committee	Axa Reim France represented by Amal del Monaco	Laurent Luccioni	-
CSR Committee	Alexandre de Palmas	-	Cardif Assurance Vie, represented by Nathalie Robin

(1) Non-Voting Director.

Changes in the membership of the Board of Directors during 2021

The Annual General Meeting of 18 May 2021:

- noted the expiry of the terms of office of Alexandre de Palmas and of Axa Reim France, represented by Amal del Monaco, as Directors, as well as the expiry of the terms of office of Laurent Fléchet and Pédro Arias as Non-Voting Directors, and acknowledged the expiry of their terms of office;
- decided on the appointment of Élodie Perthuisot as Director for a four-year term, i.e., until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024;
- decided on the re-appointment of Sogecap, represented by Yann Briand, Predica, represented by Emmanuel Chabas, and Cardif Assurance Vie, represented by Nathalie Robin, for four-year terms, i.e., until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024.

Following these changes, Carmila's Board of Directors had 13 members.

Changes in the membership of the Board of Directors' Committees during 2021

At its meeting of 26 March 2021, on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to appoint Laurent Luccioni as a member of the Nomination and Compensation Committee, to replace Amal del Monaco, the permanent representative of Axa Reim France, whose term of office expired at the end of the Annual General Meeting of 18 May 2021.

In addition, the terms of office of Sogecap, Predica and Cardif Assurance Vie were re-appointed, with Yann Briand also re-appointed as a member of the Audit Committee, Emmanuel Chabas as a member of the Strategy and Investment Committee, and Nathalie Robin as the Chair of the Strategy and Investment Committee and of the CSR Committee.

5.1.2.3 Board diversity, gender balance and complementary skill sets

A Board membership reflecting the shareholder structure

At end-2021, Carmila's Board of Directors had 13 members:

- Chair and Chief Executive Officer: Marie Cheval;
- eight Independent Directors, three of whom are permanent representatives of institutional shareholders: Yann Briand, permanent representative of Sogecap; Emmanuel Chabas, permanent representative of Predica; Nathalie Robin, permanent representative of Cardif Assurance Vie; Séverine Farjon; Maria Garrido; Laurent Luccioni; Nadra Moussalem; and Olivier Lecomte, Lead Independent Director;
- four Directors representing the Reference Shareholder, Carrefour: Claire Noël du Payrat, Élodie Perthuisot, Laurent Vallée and Jérôme Nanty.

The Board of Directors regularly examines whether the Board and its Committees have a suitably balanced membership structure, in order to guarantee shareholder representation and the independence necessary for the performance of its duties. A breakdown of Carmila's ownership structure at 31 December 2021 can be found in chapter 7 of this document.

A Board comprising a majority of Independent Directors

Under its Rules of Procedure, it is the Board of Directors' responsibility to carry out an annual review of the independence of each of its Directors, based on the recommendations of the Nomination and Compensation Committee.

According to the AFEP-MEDEF Code, Directors are independent if they have no relationship of any kind with the Company, its Group or its Management that could compromise their freedom of judgement. Thus, an Independent Director must not only be a non-executive Director, i.e., one not performing any management duties within the Company or its Group, but must also be free of any particular vested interest (as a significant shareholder, employee or otherwise) in the Company or its Group.

In order to determine the independence of each of its Directors, the Board of Directors used the following criteria in the AFEP-MEDEF Code:

- **criterion 1**: an Independent Director must not be, or must not have been, over the past five years:
  - an employee or executive corporate officer of Carmila,
  - an employee, executive corporate officer or director of a company that is consolidated by Carmila,
  - an employee, executive corporate officer or director of Carmila's parent company or a company that is consolidated by Carmila's parent company;
- **criterion 2**: an Independent Director must not be an executive corporate officer of a company in which Carmila directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of Carmila (currently in office or having held such office over the past five years) holds a directorship;
- **criterion 3**: an Independent Director must not be (or not be directly or indirectly linked to) a customer, supplier, investment banker, commercial banker or advisor that is material for Carmila or its group, or for which Carmila or its group represents a significant proportion of business;
- **criterion 4**: an Independent Director must not be related by close family ties to a corporate officer;
- **criterion 5**: an Independent Director must not have been a Statutory Auditor of Carmila over the past five years;
- **criterion 6**: an Independent Director must not have been a Director of Carmila for more than 12 years;
- **criterion 7**: an Independent Director must not have received, as a non-executive corporate officer, variable compensation in cash or securities or any compensation linked to Carmila's performance;
- **criterion 8**: an Independent Director must not represent a major shareholder of Carmila or its parent company. Directors representing major shareholders of Carmila or its parent company may be regarded as independent if the relevant shareholder does not exercise control over Carmila. However, beyond a threshold of 10% of the share capital or voting rights, the Board of Directors will, based on a report by the Nomination and Compensation Committee, systematically review the Director's independence taking into account the Company's ownership structure and the existence of any potential conflicts of interest.

Several criteria are used to determine the materiality of business relationships: the precedence and history of the contractual relationship between the Carmila Group and the group within which a Company Director holds a corporate office or has executive duties; the existence of arm's length conditions in the contractual relationship; the absence of economic dependence or exclusivity; and the non-material nature of the revenues resulting from the business relationships between the group concerned and the Carmila Group.

In accordance with the Board of Directors' Rules of Procedure, Directors express their opinions freely and commit to preserving their independence of analysis, judgement, decision-making and action in all circumstances. They also undertake to resist any pressure, whether direct or indirect, that may be exerted on them by other Directors, specific groups of shareholders, creditors, suppliers or any other third party. Each Director shall refrain from seeking or accepting from the Company or its affiliates, either directly or indirectly, any benefits that could be considered likely to compromise his or her independence.

On the recommendation of the Nomination and Compensation Committee, on 24 March 2022 the Board of Directors carried out an annual review of the independence of its Directors.

With respect to the criteria defined in the AFEP-MEDEF Code, the Board considered that Nathalie Robin (permanent representative of Cardif Assurance Vie), Yann Briand (permanent representative of Sogecap), Emmanuel Chabas (permanent representative of Predica), and any legal entities of which they are permanent representatives, as well as Séverine Farjon, Maria Garrido, Olivier Lecomte, Nadra Moussalem and Laurent Luccion, were Independent Directors.

Having heard the opinion of the Nomination and Compensation Committee, the Board of Directors considered that the fact that Directors represent certain shareholders (i.e., Cardif Assurance Vie, Predica and Sogecap, directly or through other entities of their group) does not affect their independence. In this regard, the Board noted in particular the lack of control exercised by these shareholders over the Company, their status as institutional investors, the absence of significant business relationships and the absence of potential conflicts of interest.

Accordingly, 8 out of the 13 members of the Company's Board of Directors qualify as independent under the criteria adopted by the Company, i.e., 61.54%, in line with the recommendations of the AFEP-MEDEF Code.

The table below shows details on the independence of each of the Directors based on the independence criteria in the AFEP-MEDEF Code.

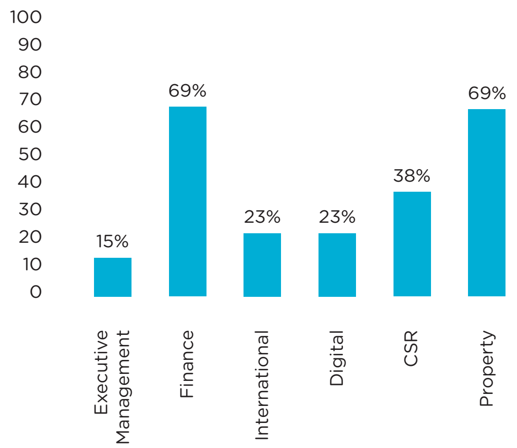
	Marie Cheval	Olivier Lecomte	Sogecap (rep. by Yann Briand)	Predica (rep. by Emmanuel Chabas)	Séverine Farjon	Maria Garrido	Laurent Luccioni	Nadra Moussalem	Jérôme Nanty	Claire Noël du Payrat	Élodie Perthuisot	Cardif Assurance Vie (rep. by Nathalie Robin)	Laurent Vallée
Criterion 1: employee and/or corporate officer in the past five years	X	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 2: cross-directorships	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 3: significant business relationships	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 4: family relationship	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 5: Statutory Auditor	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 6: in office for more than 12 years	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 7: non-executive corporate officer	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 8: major shareholder	√	√	√	√	√	√	√	√	X	X	X	√	X
Independence	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No

Gender balance within the Board

With a total of 13 members on its Board of Directors at end-2021, six of whom are women (46.15%), Carmila exceeds the applicable legal requirements. The Board of Directors also seeks to ensure that its Committees have a balanced representation of men and women. Thus, the majority of the CSR Committee's members are women, half the members of the Audit Committee are women, and three out of four Committees are chaired by women.

Broad, cross-cutting and complementary skills

The Board of Directors boasts a broad array of skills through its highly experienced members who have proven expertise in property, finance, the digital sector, CSR and corporate executive management:



Implementation of a diversity policy

On the recommendations of the Nomination and Compensation Committee, the Board of Directors ensures compliance with the recommendations of the AFEP-MEDEF Code concerning its membership, a balance in the diversity of skills, professional experience,gender and age of its Directors, in line with applicable legal requirements. It periodically reviews the size and membership of the Board of Directors, as well as its Committees.

The diversity policy applied by the Board of Directors aims to ensure a membership that reflects the Company's stakeholders (partner networks, shareholders) as well as a good balance and fair distribution of experience, qualifications, cultures, ages, nationalities and seniority, in line with the Company's needs.

The re-appointment of Directors is proposed in light of this balance, and the need to have varied and complementary skills aligned with the Company's strategic priorities. It is in view of these requirements, on the recommendation of the Nomination and Compensation Committee, that the Board of Directors wished to reduce its size to thirteen Directors, noting the expiry of the terms of office of Alexandre de Palmas and AXA Reim France represented by Amal del Monaco, as well as those of the Non-Voting Directors, and proposed the appointment of Élodie Perthuisot, Executive Director E-commerce, Data and Digital Transformation of the Carrefour group, bringing digital expertise to the Company.

At its meeting on 24 March 2022, the Board of Directors reviewed its membership and procedures, and considered that it was of an appropriate size, with a balanced representation of women and men above the legal requirements, a proportion of Independent Directors also above the recommendations of the AFEP-MEDEF Code, and a broad array of skills and experience in line with the Company's new strategic priorities.

5.1.2.4 Directors' profiles

In accordance with the Company's Rules of Procedure, upon accepting the role of Director, each Director must undertake to comply with the ethics rules set out in the AFEP-MEDEF Code and, in particular, not to take on more than four other directorships in listed companies, including foreign ones, outside the Group.

Each Director must (i) prior to their appointment, provide the Chair of the Board with a complete and detailed list of all directorships, salaried positions or other posts held with any other companies and (ii) immediately inform the Chair of the Board of any modification to said list during their term of office.

During the year, the Board of Directors was not asked by a corporate officer to approve a new corporate office in a listed company.

The main directorships and positions held by Carmila's Directors over the last five years are as follows:

Marie Cheval

MAIN POSITIONS IN THE COMPANY

Chair and Chief Executive Officer
Member of the Strategy and Investment Committee
Member of the CSR Committee

Seniority on the Board: 4 years

Date of birth:
15 September 1974
Nationality: French
Number of Company shares owned: 5,939
Date of appointment to the Board of Directors:
3 October 2017
Date of re-appointment:
Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Marie Cheval is a graduate of Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the Inspectorate General of Finances. From 2002 to 2011, she held a number of positions with the La Poste group, including Director of Financial Services Strategy for La Poste and later for La Banque Postale. Also at La Banque Postale, she was Marketing and Sales Director (2006-2009) and Director of Operations (2009-2011). In 2011, she joined the Société Générale group as Director of Global Transactions and Payment Services and was then appointed Chief Executive Officer of Boursorama in 2013. On 2 October 2017, she joined the Carrefour group as Executive Director, Customers, Services and Digital Transformation, before becoming Executive Director, Hypermarkets for France and Financial Services for the Group in September 2018.

Marie Cheval, a Director of Carmila since 2017, was appointed Chair and Chief Executive Officer by the Board of Directors at its meeting of 2 November 2020.

MAIN POSITIONS OUTSIDE THE COMPANY

None.

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- Vice-Chair of the Supervisory Board, member of the Audit Committee and member of the Strategy Committee of Laurent Perrier (France)
- Vice-Chair of the Supervisory Board and Chair of the Remuneration Committee of M6 group (France)

Offices and positions held and expired over the past five years:

- Director of FNAC Darty (France)
- Director of SRP Groupe (France)
- Director of Boursorama
- Director of Sogecap
- Chair of the Supervisory Board of OnVista Bank GmbH
- Member of the Supervisory Board of OnVista (Holding) AG
- Chair of the Board of Directors of SelfBank
- Chair of the Board of Directors of Talos Holding
- Chair of Carrefour Omnical
- Chair of Digital Media Shopper
- Director of Market Pay
- Director of Carrefour Banque

Olivier Lecomte

MAIN POSITIONS IN THE COMPANY

Lead Independent Director
Chairman of the Audit Committee
Member of the Nomination and Compensation Committee

Seniority on the Board: 4.5 years

Date of birth: 7 August 1965
Nationality: French
Number of Company shares owned: 1,131
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Olivier Lecomte graduated from École Centrale Paris. He began his career as an investment banker in London and Paris, first with Société Générale and then Demachy, Worms & Cie. He went on to join the Unibail group where, from 1994 to 2002, he successively held the positions of Director of Development, Chairman of Espace Expansion then Deputy Chief Executive Officer of the group with responsibility for the Shopping Centres and Conventions and Exhibitions divisions. From 2010 to 2014, he chaired the Laboratoire Paris-Région Innovation (Paris Lab). He is also a director of Paris & Co., a Paris-based innovation and development agency. He is joint founder of a biotech startup, Theravectys (a spin-off of the Pasteur Institute), director of SA Ingénieurs de l'École Centrale des Arts et Manufactures, member of the Supervisory Committee and the unit overseeing serious adverse reactions at the Robert-Debré Hospital, member of the Steering Committee of the integrated cancer research team (SIRIC) at Institut Gustave Roussy, and a member of the Steering Committee of the AP-HP/Institut Mines-Telecom "Bloc OPératoire Augmenté" (BOPA) innovation chair. Since 2003, he has also been a professor at École Centrale Paris.

Olivier Lecomte has been the Lead Independent Director of Carmila since his appointment on 12 June 2017.

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

Director and member of the Audit Committee of Orpéa (ORP - FR0000184798 / Paris).

Non-listed companies

- Chairman of MSOF Consulting SASU
- Director of SA Ingénieurs de l'École Centrale des Arts et Manufactures
- Professor at École Centrale de Paris (CentraleSupélec)
- Member of the Supervisory Committee and of the unit overseeing serious adverse reactions at the Robert-Debré Hospital
- Member of the Steering Committee of SIRIC, SOCRATE/Institut Gustave Roussy
- Member of the Steering Committee of the "Bloc OPératoire Augmenté" (BOPA) innovation chair, AP-HP/Institut Mines-Telecom

Offices and positions held and expired over the past five years:

- Director of Paris & Co., a Paris-based innovation and development agency
- Director of Carmila SAS
- Chairman of the Laboratoire Paris-Region Innovation (Paris Lab)

Yann Briand, representative of Sogecap

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee

Seniority on the Board: 4.5 years

Date of birth: 31 May 1974
Nationality: French
Number of Company shares owned: 8,224,492
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 18 May 2021
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Yann Briand holds a Master's degree in Urban Planning and Management (Paris IV) and a post-graduate degree in Corporate Real Estate (Paris I). Between 1999 and 2014, he held various positions at Arthur Andersen, General Electric, Catella and Société Générale in investments, expert advice and real estate consulting. Since 2014, he has been Real Estate Director at Sogecap in charge of investments and asset management.

MAIN POSITIONS OUTSIDE THE COMPANY

Real Estate Director at Sogecap

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held by Yann Briand at 31 December 2021:

Listed companies

- Permanent representative of Sogecap, director of Covivio Hotels (France)
- Permanent representative of Sogecap, director and member of the Nominations and Remuneration Committee and the Investment Committee of Frey (France)

Non-listed companies

- Permanent representative of Sogecap, director of BG 1 SA (Luxembourg)
- Permanent representative of Sogecap, Director of Powerhouse Habitat
- Permanent representative of Sogecap, Director of Icade Santé
- Permanent representative of Sogecap, Director of Icade Healthcare Europe
- Permanent representative of Sogecap, Director of PREIM Healthcare
- Chief Executive Officer of Sogecap Real Estate

Offices and positions held by Yann Briand and expired over the past five years:

- Permanent representative of Sogecap, Director of Carmila SAS
- Legal manager of SCI SGA Resiparis

Offices and positions held by Sogecap at 31 December 2021:

Listed companies

- Director of Selectirente

Non-listed companies

- Director of Sogelife (Luxembourg)
- Director of Marocaine Vie (Morocco)
- Director of SPPICAV Oteli
- Director of the Strategic Investment Fund (France)
- Director of SAS Orientex Holdings
- Director of PREIM Healthcare
- Director of Powerhouse Habitat
- Director of Icade Santé
- Director of Icade Healthcare Europe
- Director of UIB Assurance (Tunisia)
- Chairman of SGI Holdings SIS
- Legal manager of real estate investment companies Sogevimmo, Pierre Patrimoine, Sogepierre, SGI Immo 1, SGI Healthcare, SGI Immo 3, SGA Immo 5, SGA 45-56 Desmoulins, SGI 1-5 Astorg, SGI 10-16 Ville l'Évêque, SGI Caen, SGI Villette, SGI Visitation, SGI Kosmo, 89 Grande Armée, Massy 30 avenue Carnot and 83-85 Grande Armée

Offices and positions held by Sogecap and expired over the past five years:

- Director of Carmila SAS
- Director of Sogecap Liban (Lebanon)
- Legal manager of SCI Château Mazeyres Pomerol
- Director of Oradea Vie

Emmanuel Chabas, representative of Predica

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee

Seniority on the Board: 4.5 years

Date of birth:
8 December 1976

Nationality: French

Number of Company shares owned: 14,068,956

Date of appointment to the Board of Directors:
12 June 2017

Date of re-appointment:
Annual General Meeting of 18 May 2021

Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Emmanuel Chabas holds a degree from ESSEC business school. He began his career in management control and internal audit at BNP Paribas in 2001, before joining BNP Paribas Cardif in 2006 as manager of real estate acquisitions. Since September 2015, he has been Head of Real Estate Investments at Crédit Agricole Assurances.

MAIN POSITIONS OUTSIDE THE COMPANY

Head of Real Estate Investments at Crédit Agricole Assurances

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held by Emmanuel Chabas in an individual capacity or as a permanent representative of Predica at 31 December 2021:

Listed companies

- Member of the Supervisory Board of Covivio Hotels (France)
- Non-voting director on the Supervisory Board of Argan (France)
- Member of the Board of Directors of ICADE (France)
- Member of the Supervisory Board of Patrimoine et Commerce (France)

Non-listed companies

- Member of the Supervisory Board and the Shareholders' Meeting of Covivio Immobilien (Germany)
- Member of the Board of Directors of Central
- Member of the Board of Directors of Camp Invest OPPCI
- Member of the Board of Directors of Iris Invest OPPCI
- Chairman and Chief Executive Officer of Foncière Hypersud
- Member of the Board of Directors of OPPCI B2 Hotel Invest
- Member of the Supervisory Board of SCPI Unipierre Assurance
- Director of Météore Italy SRL (Italy)
- Director of Météore Alcala (Spain)
- Legal manager of SCI IMEFA 1, SCI IMEFA 2, SCI IMEFA 3, SCI IMEFA 4, SCI IMEFA 5, SCI IMEFA 6, SCI IMEFA 8, SCI IMEFA 9, SCI IMEFA 10, SCI IMEFA 11, SCI IMEFA 12, SCI IMEFA 13, SCI IMEFA 16, SCI IMEFA 17, SCI IMEFA 18, SCI IMEFA 20, SCI IMEFA 22, SCI IMEFA 25, SCI IMEFA 32, SCI IMEFA 33, SCI IMEFA 34, SCI IMEFA 35, SCI IMEFA 36, SCI IMEFA 37, SCI IMEFA 38, SCI IMEFA 39, SCI IMEFA 42, SCI IMEFA 43, SCI IMEFA 44, SCI IMEFA 45, SCI IMEFA 47, SCI IMEFA 48, SCI IMEFA 49, SCI IMEFA 50, SCI IMEFA 51, SCI IMEFA 52, SCI IMEFA 53, SCI IMEFA 54, SCI IMEFA 57, SCI IMEFA 58, SCI IMEFA 60, SCI IMEFA 61, SCI IMEFA 62, SCI IMEFA 63, SCI IMEFA 64, SCI IMEFA 66, SCI IMEFA 67, SCI IMEFA 68, SCI IMEFA 69, SCI IMEFA 72, SCI IMEFA 73, SCI IMEFA 74, SCI IMEFA 76, SCI IMEFA 77, SCI IMEFA 78, SCI IMEFA 79, SCI IMEFA 80, SCI IMEFA 81, SCI IMEFA 82, SCI IMEFA 83, SCI IMEFA 84, SCI IMEFA 85, SCI IMEFA 89, SCI IMEFA 91, SCI IMEFA 92, SCI MEFA 96, SCI IMEFA 100, SCI IMEFA 101, SCI IMEFA 102, SCI IMEFA 103, SCI IMEFA 104, SCI IMEFA 105, SCI IMEFA 107, SCI IMEFA 108, SCI IMEFA 109, SCI IMEFA 110, SCI IMEFA 112, SCI IMEFA 113, SCI IMEFA 115, SCI IMEFA 116, SCI IMEFA 117, SCI IMEFA 118, SCI IMEFA 120, SCI IMEFA 121, SCI IMEFA 122, SCI IMEFA 123, SCI IMEFA 126, SCI IMEFA 128, SCI IMEFA 129, SCI IMEFA 131, SCI IMEFA 132, SCI IMEFA 140, SCI IMEFA 148, SCI IMEFA 149, SCI IMEFA 150, SCI IMEFA 155, SCI Lyon Tony Garnier, SCI Villeurbanne La Soie Ilot H, SCI IMEFA 158, SCI IMEFA 159, SCI IMEFA 161, SCI IMEFA 162, SCI IMEFA 163, SCI IMEFA 164, SCI IMEFA 165, SCI HDP Bureaux, SCI HDP Hotel, SCI HDP La Halle, SCI IMEFA 169, SCI IMEFA 170, SCI IMEFA 171, SCI IMEFA 172, SCI IMEFA 173, SCI IMEFA 174, SCI IMEFA 175, SCI IMEFA 176, SCI IMEFA 177, SCI IMEFA 178, SCI IMEFA 179, SCI IMEFA 180, SCI IMEFA 181, SCI IMEFA 182, SCI IMEFA 183, SCI IMEFA 184, SCI IMEFA 185, SCI IMEFA 186, SCI IMEFA 187, SCI IMEFA 188, SCI IMEFA 189, SCI IMEFA 190, SCI IMEFA 192, SCI IMEFA 193, SCI IMEFA 194, SCI IMEFA 195, SCI IMEFA 196, SCI SPIRICA BOISSEAU, SCI IMEFA 198, SCI IMEFA 199, SCI IMEFA 201, SCI IMEFA 202, SCI IMEFA 203, SCI IMEFA 204, SCI IMEFA 205, SCI IMEFA 206, SCI IMEFA 207, SCI IMEFA 208, SCI IMEFA 209, SCI IMEFA 210, SCI IMEFA 211, SCI IMEFA 212, SCI Dahlia, SCI Fédérale Pereire Victoire, SCI Federlog, SCI Feder Londres, SCI Fédérale Villiers, SCI Grenier Vellefaux, SCI Medibureaux, SCI Medic Habitation, SCI Vicq d'Azir Vellefaux, SCI Vicq Neuilly, SCI Federpierre, SCI Longchamp Montevideo, SCI Federpierre Michal, SCI Federpierre Caulaincourt, SCI Federpierre Université, SCI Federpierre Capucines, SCI 1-3 Place Valhubert, SCI Village Victor Hugo and SCI Porte des Lilas Frères Flaviens
- Chairman of Resico
- Chairman of the Board of Directors of Résidence Séniors
- Member of the Board of Directors of Iris Holding
- Chairman of the Partnership Committee of Iris Holding France
- Chairman of the Partnership Committee and member of the Board of Directors of SCI Holding Dahlia
- Chairman of SAS Holding Euromarseille
- Legal manager of SCI DS Campus
- Legal manager of SCI New Vélizy
- Member of the Partnership Committee of SCI 11 Place de l'Europe
- Member of the Board of Directors of Alta Blue
- Permanent representative of Predica to OPCI CAA Commerces 2
- Permanent representative of Predica on the Board of Directors of OPCI Predica Bureaux
- Chairman of SAS 59-61 Rue Lafayette

- Chairman of the Board of Directors of OPCI Predica Commerces
- Permanent representative of SCI IMEFA 34, Director of OPCI Predica Habitation
- Director and Chairman of the Board of Directors of OPCI Eco Campus
- Director and Chairman of the Board of Directors of OPCI Massy Bureaux
- Chairman of B Immobilier
- Chairman of SAS 81-91 Rue Falguière
- Director and Chairman of the Board of Directors of OPCI Messidor
- Member of the Strategy Committee of Heart of La Défense
- Legal manager of SCI AEV CA
- Representative of Predica and Spirica to SCI Académie Montrouge
- Member of the Advisory Board of OPCI Alta Commerce Europe
- Representative of Predica on the Advisory Committee of the Ardian Fund (Luxembourg)
- Permanent representative on the Supervisory Board of SAS Preim Healthcare
- Representative of Predica to SCI Frey Retail Villebon
- Member of the Oversight Committee of Icade Santé
- Director of OPCI Lapillus 1
- Director of SAS Cristal
- Member of the Real Estate Committee of FFA
- Member of the Board of Directors of Accord Invest Group
- Director of OPCI Icade Healthcare Europe
- Legal manager of Lux Leudelange SARL
- Legal manager of L2A SA and L2B SA
- Co-manager of CAA stern Gmbh (Germany)

Offices and positions held and expired over the past five years:

- Director of Foncière Développement Logements
- Chairman of SAS Francimmo Hotel
- Legal manager of SCI Montparnasse Cotentin
- Director of Météore Greece SA
- Director of Siltel SA
- Member of the Strategy Committee of Foncière des Murs Management
- Director of Carmila SAS

Séverine Farjon

MAIN POSITIONS IN THE COMPANY

Director
Chair of the Nomination and Compensation Committee
Chair of the CSR Committee

Seniority on the Board: 4.5 years

Date of birth: 9 February 1975

Nationality: French

Number of Company shares owned: 1,001

Date of appointment to the Board of Directors:
12 June 2017

Date of re-appointment:
Annual General Meeting of 16 May 2019

Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Séverine Farjon, a graduate of Institut d'Études Politiques de Paris and SFAF (Société Française d'Analyse Financière), began her career in the financial analysis sector at Fortis Securities before joining the Natixis group, where she participated in several capital transactions for listed real estate companies. From 2007 to 2009, she led Investor Relations at Orco. In 2011, she joined Cofitem-Cofimur, which became, in 2013, Foncière de Paris, where she handled financial transactions and shareholder relations. In January 2017, she was involved in the creation of Raise Reim, a management company specialising in the management of real estate collective investment undertakings, of which she is the CEO. She has also served as Chair of Carré d'As since 2016.

MAIN POSITIONS OUTSIDE THE COMPANY

Chief Executive Officer of Raise Reim

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

None

Non-listed companies

- Chief Executive Officer of Raise Reim
- Chair of Carré d'As

Offices and positions held and expired over the past five years:

None

Maria Garrido

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee
Member of the CSR Committee

Seniority on the Board: 3 years

Date of birth: 24 May 1973
Nationality: Spanish
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 16 May 2018
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2021

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Until 2021, Maria Garrido was Senior Vice President, Brand Marketing for Vivendi, where she fostered synergies between the group's business units and expanded the group's presence in the content marketing industry. Internally, she supported all group companies in their brand marketing and partnership needs and provided external customers with advice and content strategies to stimulate their growth.

Maria was also the Chief Insights Officer of the Havas group, supervising a team of over 300 people in some 40 countries across content and innovation. She managed consumer, brand and marketing studies, including Havas' proprietary "Meaningful Brands" study.

Maria joined Havas in 2014 after 18 years of experience in North America, Latin America and Europe. She has held both operational and strategic marketing roles at various FMCG blue chips, such as Colgate Palmolive Co & Mondelez.

Maria speaks at many media and client events, most recently at Cartagena Inspira, Mumbrella Australia, Cannes Lions, South Summit, CubeX Mumbai and IBC 2018. She has also served as a member of the Jury for the Cristal Media Festival, Dubai Lynx and the Cannes Lions Festival, as well as President of the Entertainment Jury for Eurobest.

In addition to her role on the Carmila Board, Maria also serves as an Independent Director on other boards, including LiveOne Inc (Nasdaq), ESCP and Women for Women France, where she is a member of the International Supervisory Board.

MAIN POSITIONS OUTSIDE THE COMPANY

Senior Vice President, Vivendi Marketing at the Vivendi group

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

None

Non-listed companies

- Senior Vice President, Brand Marketing at the Vivendi group
- Chief Insights Officer at the Havas group

Offices and positions held and expired over the past five years:

- Director of International Players from 2012 to 2015
- Independent Director of LiveOne, Inc (Nasdaq) from 2020 to present
- Member of the International Supervisory Board of ESCP from 2020 to present
- Member of the Supervisory Board of the association, Women for Women France from 2020 to present

Date of birth: 31 July 1971
Nationality: French
Number of Company shares owned: 1,089
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

Laurent Luccioni

MAIN POSITIONS IN THE COMPANY

Director
Member of the Nomination and Compensation Committee

Seniority on the Board: 4.5 years

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Laurent Luccioni holds an MBA from the Kellogg School of Management, Northwestern University and a PhD in civil and environmental engineering from the University of California Berkeley. He has 19 years of experience in investing and financial services, and is a consultant for Pimco Europe. Before 2020, he was Managing Director and portfolio manager at the Pimco office in London, where he led the European commercial real estate team. Before joining Pimco in 2013, he was the European Chairman and Chief Executive Officer of MGPA, the private equity real estate investment advisory arm of Macquarie. In addition, he has worked with Cherokee Investment Partners.

MAIN POSITIONS OUTSIDE THE COMPANY

Senior Consultant for Pimco Europe Ltd

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- Director of Lar España Real Estate Socimi SA (listed company, Spain)

Non-listed companies

- Senior Consultant for Pimco Europe Ltd

Offices and positions held and expired over the past five years:

- Director of Carmila SAS
- Managing Director of Pimco Europe Ltd

Nadra Moussalem

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee

Seniority on the Board: 4.5 years

Date of birth: 4 July 1976
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Nadra Moussalem is a graduate of École Centrale de Lyon with a Master's degree in Information and Information Technology. Nadra Moussalem has been the Chairman and Chief Executive Officer of Colony Investment Management since 2021. Between 2013 and 2021, he was Chief Executive Officer Europe of Colony Capital, Inc.

MAIN POSITIONS OUTSIDE THE COMPANY

Chairman and Chief Executive Officer of Colony Investment Management

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

None

Non-listed companies

- Chairman of Colony Investment Management SAS
- Chairman of Colony Capital Acquisition SAS
- *Director* of Colony IM UK Ltd
- Chairman of Colony Capital SAS
- Chairman of the Board of Directors of AccorInvest Group SA
- Representative of Colony Capital SAS, itself Chairman of EarlyBird SAS
- Chief Executive Officer of ColSpa SAS and representative of Colony Capital SAS, itself Chairman of ColSpa SAS
- Legal manager at ColNozay EURL
- Legal manager at Colnozay SCI
- Representative of Colony Capital SAS on the Executive Management Board of ColAubergenville SCI
- Representative of Colony Capital SAS, itself Chairman of CFI NNN France Portfolio SAS
- Representative of Colony Capital SAS, itself Chairman of Colquattro French Portfolio SAS
- Representative of Colony Capital SAS on the Executive Management Board of ColEden SCI
- Representative of Colony Capital SAS to the Chairman of Colbravo SAS
- Representative of Colony Capital SAS, itself Chairman of ColMdB SAS
- Representative of Colony Capital SAS, itself legal manager of ColPower SCI
- Representative of Colony Capital SAS, itself Chairman of ColPowerSister SAS
- Representative of Colony Capital SAS, itself Chairman of ColPowerSister Holding SAS
- Permanent representative of Colony Capital SAS, itself Chairman of ColPowerMother SAS
- Permanent representative of Colony Capital SAS, itself Chairman of Colcontinental SAS
- Chairman of Continental Property Investments SAS
- Legal manager of Financière et Foncière Alma Messine
- Legal manager of Reoc Issy
- Legal manager of Adductor CPI Arenas
- Legal manager of Adductor International SARL
- Chairman of Property Holding
- Legal manager of Marbeau CPI
- Legal manager of Villa 5 CPI
- Legal manager of W9/Saint Quentin
- Legal manager of Sesame Investissements
- Legal manager of Lint SNC
- Legal manager of Lafayette 06
- Legal manager of IDF Industries Marne SNC
- Legal manager of Herblay CPI
- Sole director of Global Confector SLU (Spain)
- Sole director of Colprincesa Management SL (Spain)
- Sole director of CPI Developments Spain 2009 SLU (Spain)
- Chairman of Continental Property Investments SAS, itself legal manager of:
  - SCI 18 rue Marbeau
  - AIX SPI
  - Société Civile Immobilière Colombus CPI
  - Godard CPI
  - Illkirch CPI
  - Investimmo CPI
  - Malakoff Investissements
  - Osiris Invest
  - Pantin CPI
  - Plaine Tersud
  - Provence CPI
  - Space CPI
  - Société Civile Immobilière Spok CPI
  - Terra Veda CPI
  - Victoria CPI
  - Victoria CPI 2
  - Villepinte CPI
- Chairman of Col Invest Italy Srl (Italy)
- Permanent representative of Colony Capital SAS, Italian subsidiary
- Colsun Histo France SAS, Chairman
- Colsun Gestion SAS, Chairman

- Colsun HDR 1 France SAS, Chairman
- Colsun HDR 2 France SAS, Chairman
- OpCo Bourg Lès Valence
- OpCo Chamonix
- OpCo Claude Bernard Saint Germain
- OpCo Le Boucher Aubagnais
- OpCo Le Grand Aigle
- OpCo Marmotel
- OpCo Mas des Herbes Blanche (MHB)
- OpCo Montchalet Tignes
- OpCo Jules César (formerly OpCo Montmartre Mon Amour)
- OpCo Moulin de Vernègues
- OpCo Orange
- OpCo Pic Blanc
- OpCo Astor Saint-Honoré
- OpCo Saint Charles
- OpCo Savoies
- OpCo Mougins, formerly OpCo Alpenrose
- Representative of Colsun Histo France on the Executive Management Board of the following companies:
  - Colsun Petite Isle
  - Colsun Aubagne Gemenos
  - Colsun le Paradou
  - Colsun le Claret Bercy
  - Colsun Saint Charles
  - Colsun Pic Blanc
  - Colsun Chamonix
  - Colsun Le Grand Aigle
  - Colsun Marmotel
  - Colsun Savoies
  - Colsun Claude Bernard Saint Germain
  - Colsun Dolce Fregate
  - Colsun Moulin de Vernegues
  - Colsun Julius Caesar
  - Colsun Mougins
  - Colsun Nation
  - Colsun Mas des Herbes Blanches
  - Colsun Orange
  - Colsun Astor Saint-Honore

Offices and positions held and expired over the past five years:

- Director of Accor (SA) (France)
- Director of Carrefour (SA) (France)
- Director of Edenred (France)
- Chairman of Colkart SAS
- Permanent representative of Colony Capital SAS to the Chairman of Colkart Investment Europe
- Chairman of Data IV Services – Held within Data 4 group companies as corporate representative
- Chairman of Data IV France – held within Data 4 Group companies as corporate representative
- Chairman of DC 115 SAS
- Chairman of Holding Sports & Évènements
- Chairman of Collilkirch France
- Representative of Colony Capital SAS, itself Chairman of ColFields SAS
- Representative of Colony Capital on the Executive Management Board of CFI NNN Piazza SCI
- Sole director of Global Graeca SLU
- Manager of Foncière Phoenix Mac Donald
- Director of Carmila SAS
- Legal manager of Champs CPI
- Chairman of Colfilm SAS
- Legal manager at ColEvreux SCI
- 123 Colaigle (formerly OpCo Aigle des Neiges)
- OpCo Aubagne Gemenos
- OpCo Petite Isle
- OpCo Hôtel Gap
- OpCo Le Mas de l'Étoile
- OpCo Hôtel Champigny sur Marne
- Hôtel Le Paradou
- OpCo Le Boucher Gapençais
- OpCo Royal Ours Blanc
- Legal manager at Colnîmes SARL
- Executive of Colyzeo Investment Management (UK)
- Executive of Colyzeo Investment Advisors Limited (UK)
- Legal manager of Adductor France SARL
- Legal manager of Add Holding
- Legal manager of Binet SNC
- Legal manager of Colin SNC
- Legal manager of Hayet SNC
- Legal manager of IDF Industries SARL
- Legal manager of IDF Industries SNC
- Legal manager of Latoison Duval SNC
- Legal manager of Pythagore Invest
- Legal manager of Rivesaltes Roissy SNC
- Legal manager of Villeneuve Sénart SNC

Jérôme Nanty

MAIN POSITIONS IN THE COMPANY

Director
Member of the Nomination and Compensation Committee
Member of the Strategy and Investment Committee

Seniority on the Board: 3 years

Date of birth: 20 April 1961
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 3 April 2019
Date of re-appointment: Annual General Meeting of 16 May 2019
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Jérôme Nanty is a graduate of Institut d'Études Politiques de Paris and has a Master's degree in public law. He began his career in 1986 at Société Générale, before joining the Capital Markets Department at Crédit Lyonnais in 1989, first as a bond market operator and subsequently as a portfolio manager for bond issuers. In 1998, he joined the bank's Human Resources Department as manager of employment policy and later labour relations. From 2001 to 2004, he served as Director of Labour Relations at the Crédit Lyonnais group. From 2003 onwards, he held the same position at the Crédit Agricole group and was consequently in charge of the labour aspects of the merger of Crédit Lyonnais and Crédit Agricole. He was appointed Director of Human Resources at LCL in 2005 and at the Caisse des Dépôts group in 2008. From 2013 to 2016, he was General Secretary of the Transdev group. In July 2016, he joined the Air France-KLM group as General Secretary and Director of Human Resources. Jérôme joined the Carrefour group on 2 October 2017 as Executive Director, Human Resources for the group and France. In 2019, he also became head of the Assets Department for the group and France. Jérôme brings to Carmila's Board of Directors his expertise in human resources and his knowledge of the Carrefour group's social policy.

MAIN POSITIONS OUTSIDE THE COMPANY

Executive Director, Human Resources and Assets for the Carrefour group and Carrefour France

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- Director and member of the Human Resources Committee and Strategy Committee of Atacadão (Brazil)

Non-listed companies

- Member of the Supervisory Board of RATP DeV (France)
- Vice-Chairman of the Board of Directors of APGIS (France)
- Chairman of the Board of Directors of Carrefour Property Italia (Italy)
- Chairman of the Board of Directors of Carrefour Property Spain
- Chairman of CRFP 8 (France)

Offices and positions held and expired over the past five years:

None

Claire Noël du Payrat

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee

Seniority on the Board: 3 years

Date of birth: 31 October 1968
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 24 October 2018
Date of re-appointment: Annual General Meeting of 16 May 2019
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Claire Noël du Payrat is a graduate of HEC business school. She began her career in 1993 as an internal auditor at the Savencia group, before joining the Nestlé group in 1996 as product management controller and then Administrative and Financial Manager. From 2006 to 2008, she held the position of Management and Financial Control Director at Sagem Mobiles. She went on to join Veolia Environmental Services then Veolia Environnement, where she became Finance Director of Environmental Services then Director of Group Management Control. Her term as a director of Veolia Australia ended in April 2018. Since 2018, she has headed up the Carrefour group's Financial Control Department.

MAIN POSITIONS OUTSIDE THE COMPANY

Head of Financial Control at the Carrefour group

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- Head of Financial Control at the Carrefour group (France)
- Director and member of the Audit Committee of Atacadão (Brazil)

Non-listed companies

None

Offices and positions held and expired over the past five years:

- Director of Veolia Australia
- Chair of the non-profit organisation "Vivons solidaire"

Élodie Perthuisot

MAIN POSITIONS IN THE COMPANY

Director

Seniority on the Board: 6 months

Date of birth: 14 June 1976
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 18 May 2021
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Élodie Perthuisot is a graduate of Ecole Polytechnique and IEP Paris, and has an Executive MBA from ESCP. Having begun her career in the French civil service, where she held positions in several ministerial offices and public cultural agencies,

she joined the Fnac group in 2012 to head up its subsidiary France Billet. In 2013, she was appointed Sales Director of Fnac, a position she retained following the merger with Darty in 2016.

Élodie Perthuisot joined the Carrefour group as Chief Marketing Officer for France in 2018, before being appointed Executive E-Commerce and Marketing Director at Carrefour France in 2020.

In March 2021, she was also appointed Group Executive Director E-commerce, Data and Digital Transformation.

MAIN POSITIONS OUTSIDE THE COMPANY

Executive Director E-commerce, Data and Digital Transformation of the Carrefour group

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

None

Non-listed companies

- Director and member of the Audit Committee of Carrefour Banque (France)
- Chair of Carrefour Régie Publicitaire (France)
- Legal manager of Carrefour Drive (France)
- Chair of Carrefour Omnicanal (France)
- Chair of Bringo International (France)
- Independent Director of Elsan, and Chair of the CSR and New Business Committees.

Offices and positions held and expired over the past five years:

- Chair of Carrefour Services Clients (France)
- Director of Meilleurtaux (France)
- Chair of Fnac Darty Asia

Date of birth:
19 November 1962

Nationality: French

Number of Company shares owned: 12,944,249

Date of appointment to the Board of Directors:
12 June 2017

Date of re-appointment:
Annual General Meeting of 18 May 2021

Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

Nathalie Robin, representative of Cardif Assurance Vie

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee
Member of the CSR Committee

Seniority on the Board: 4.5 years

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Nathalie Robin holds a Masters in Advanced Studies in Real Estate Law (Paris II). From 1989 to 2001, she was Real Estate Director at Natio Vie (BNP group). Since 2001, she has been Real Estate Director of BNP Paribas Cardif.

MAIN POSITIONS OUTSIDE THE COMPANY

Real Estate Director at BNP Paribas Cardif

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- Member of the Supervisory Board and the Audit Committee of Covivio Hotels (France)
- Director and member of the Investment Board and the Audit Committee of Frey, and member of the FoREY Steering Committee (France)

Non-listed companies

- Real Estate Director at BNP Paribas Cardif
- Member of the Supervisory Board of Covivio Immobilien
- Member of the Supervisory Board of BNP Paribas Reim France
- Member of the Supervisory Board of Opéra Rendement
- Member of the Supervisory Board of Dauchez
- Director of AEW Immocommercial
- Member of the Supervisory Board of CFH
- Member of the Supervisory Board of Placement Ciloger 3
- Member of the Supervisory Board of FLI
- Director of BNP Paribas Diversipierre
- Member of the Supervisory Committee of Preim Healthcare
- Member of the Supervisory Board of Accès Valeur Pierre
- Member of the Supervisory Committee of Hémisphère
- Member of the Supervisory Committee of Plein Air Property Fund
- Member of the Supervisory Committee of PWH
- Director of Powerhouse Habitat
- Member of the Supervisory Committee of Certivia 2
- Director of Icade Healthcare Europe
- Member of the Supervisory Board of SCI Korian & Partenaires Immobilier 1
- Member of the Supervisory Board of SAS Korian & Partenaires Immobilier 2

Offices and positions held and expired over the past five years:

- Member of the Oversight Committee of Icade Santé
- Member of the Supervisory Committee of Plein Air Property Fund
- Member of the Investment Committee of Covivio Hotels (formerly Foncière des Murs) (France)
- Director of Carmila SAS
- Director and member of the Investment Committee and the Compensation Committee of Foncière Développement Logements (France)
- Member of the Strategy Committee of Foncière des Murs Management
- Non-voting director of BNP Paribas REPM France
- Member of the Supervisory Board of France Investipierre

Laurent Vallée

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee
Member of the Nomination and Compensation Committee
Member of the CSR Committee

Seniority on the Board: 4 years

Date of birth: 28 February 1971
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 4 September 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Laurent Vallée is a graduate of ESSEC business school, Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). He began his career at the Conseil d'État, France's administrative Supreme Court, where he served in particular as Government Commissioner and Constitutional Advisor to the Government's Secretary General. From 2008 to 2010, he worked for Clifford Chance as a lawyer before being appointed Director of Civil Affairs at the Ministry of Justice in April 2010. He then served as General Secretary of the Canal+ group from 2013 to 2015. Since March 2015, he has been Secretary General of the Canseil Constitutionnel, France's constitutional council. On 30 August 2017, Laurent Vallée joined the Carrefour group as General Secretary. He is in charge of the Legal Department, the Sustainable Development Department, the Public Affairs Department, the Audit Department and the Carrefour Foundation.

MAIN POSITIONS OUTSIDE THE COMPANY

General Secretary of Carrefour

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2021:

Listed companies

- General Secretary of Carrefour (France)

Non-listed companies

- Permanent representative of Société d'Exploitation Amidis & Cie
- Director of SA Mestdagh (Belgium)
- Director of Carrefour SA Carrefour Sabanci ticaret merkezi a.ş (Turkey)
- Delegate General of the Carrefour Foundation
- Director of Carrefour China Foundation for Food Safety (HK)
- Permanent representative of Carrefour on the Board of Directors of the "Un Avenir Ensemble" foundation (France)

Offices and positions held and expired over the past five years:

None

5.1.3 Operating procedures of the Board of Directors and its Committees

5.1.3.1 Ethics rules for Directors

Stock market ethics and insider trading

At its meeting of 2 April 2020, the Board of Directors adopted a Stock Market Ethics Code to ensure compliance with European Regulation 596/2014 on Market Abuse, which entered into force on 3 July 2016 and introduced measures applicable to listed companies and their corporate officers in respect of holding inside information.

As members of the Company's Board of Directors or any of its Committees, or owing to their position within any of the Company's corporate shareholders, Directors must keep strictly confidential any sensitive and confidential information as well as any information qualified as inside information under the Regulation. They are also required to refrain from performing or attempting to perform any transactions in Company shares during "closed periods", particularly those defined each year in relation to the dates on which annual, half-yearly and quarterly financial reports are published.

Conflicts of interest and statements made by corporate officers

In accordance with the Company's Rules of Procedure, a conflict of interests exists when a Director or member of his or her family could derive personal benefit from the Company's dealings, or could have a relationship or connection of any kind with the Company, its Subsidiaries or its Management which might compromise his or her ability to exercise his or her judgement as a Director freely. When assessing whether or not a conflict of interest exists, the personal and financial interests of the permanent representative of a legal entity that is a Director or a physical person who is a Director representing a legal entity are also taken into account, in relation to those of the Company.

To the Company's knowledge, and except for those relationships described in section 3.1.5.3 "Principal agreements with Carrefour group entities" of this document, at the date of this Universal Registration Document, none of the Directors are subject to any potential conflicts of interest between their duties in respect of the Company, the members of the Board of Directors and the Company's Executive Management and their private interests. Under the Rules of Procedure, Directors must inform the Board of Directors, and in particular the Lead Independent Director, of any conflict of interest with the Company or its Subsidiaries, and must abstain from voting on any corresponding deliberations.

To the Company's knowledge, there are no shareholders' agreements by which any member of the Board of Directors or Executive Management has been appointed as a member of the Board of Directors or Executive Management.

At the date of the Universal Registration Document, none of the members of the Board of Directors or Executive Management have agreed to any restrictions concerning the sale of their interest in the Company's share capital, with the exception of the rules relating to the prevention of insider trading and the Company's Rules of Procedure which require corporate officers to hold shares until the end of their term of office.

To the Company's knowledge, at the date of this Universal Registration Document, there are no family ties between the members of the Board of Directors and the members of the Company's Executive Management.

To the Company's knowledge, during the last five years: (i) none of the aforementioned persons have been convicted or found liable of fraud, (ii) none of the aforementioned persons have been associated with bankruptcy, receivership or court-ordered liquidation, (iii) none of the aforementioned persons have been found guilty of a criminal offence or been subject to an official public sanction by statutory or regulatory authorities or by a professional association and (iv) none of the aforementioned persons has been barred by a court from acting as a member of an administrative, management or supervisory body of a company issuing securities or from participating in the management or conduct of the business of a company issuing securities.

5.1.3.2 Practices and main work of the Board of Directors

Conditions for the preparation and organisation of the Board's work

The practices of the Company's governance bodies are governed by the relevant legal provisions, the Company's By-Laws and the Board of Directors' Rules of Procedure. In particular, the Rules of Procedure set out the procedures for holding Board of Directors' meetings, specify the powers of the Board of Directors beyond those provided for by law or the Company's By-Laws and, additionally, cover the creation, roles and responsibilities of the various Committees of the Board of Directors.

The description below reflects the main provisions of the Rules of Procedure, as amended by the Board of Directors at its meeting of 26 November 2020.

(1) Meetings of the Board of Directors by video-conference or other means of telecommunication, and written consultations

With the exception of meetings called to take decisions where such methods are prohibited under the French Commercial Code (*Code de commerce*), Board meetings may be held by video-conference and/or by conference call. However, the selected method must enable the identification of the participating Directors and must ensure their effective participation in the meeting. At a minimum, the method selected must permit the transmission of the participants' voices and meet technical standards allowing for the continuous, real-time transmission of the discussions between the participants. Each participant must be able to take part and hear what is said.

Directors participating in Board meetings by video-conference or by conference call are deemed present for the purposes of calculating the quorum and any required majority.

In accordance with French law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law), the Board of Directors asked the Annual General Meeting of 29 June 2020 to approve an amendment to the Company's By-Laws, in order to enable the decisions referred to under Article L. 225-37 of the French Commercial Code to be taken by a written consultation of Directors. The proposed amendment was approved by the shareholders. The Board's Rules of Procedure were amended accordingly by the Board of Directors at its meeting of 2 April 2020.

(2) Duties of the Board of Directors

The Board exercises the powers vested in the governance body by the law. It approves the Company's business strategy and oversees its implementation. It examines and makes decisions in respect of major transactions. The members of the Board of Directors are kept informed of changes in the markets, the competitive environment and the key issues facing the Company, including with regard to corporate social responsibility. Subject to the powers directly vested in Shareholders' Meetings, the Board of Directors is responsible for dealing with all matters relating to the proper management of the Company and for making all related decisions, within the scope of the Company's corporate purpose. The Board performs any checks and controls that it deems appropriate.

The Board sets any limitations on the powers of the Chair and Chief Executive Officer and those of the Deputy Chief Executive Officers.

Communication with shareholders and the markets

The Chair of the Board of Directors is responsible for managing shareholder relations with the Board of Directors, particularly with regard to corporate governance.

Role and powers of the Lead Independent Director

At its meeting of 12 June 2017, the Board of Directors decided to appoint Olivier Lecomte as Lead Independent Director.

On the recommendation of the Nomination and Compensation Committee, at its meeting of 26 November 2020 the Board reinforced the role and powers of the Lead Independent Director, in order to support Marie Cheval, Chair of the Board of Directors, in her responsibilities for the smooth operation of the governance bodies.

Accordingly, the Board of Directors' Rules of Procedure have been amended as follows:

The Lead Independent Director is responsible for the smooth operation of the Board and its Committees. In this respect, he:

- notifies the Board of any conflicts of interest, which he has identified or which have been reported to him, involving the executive corporate officers and other members of the Board. In particular, he examines any conflict-of-interest situations that may involve the Directors or the Chair of the Board of Directors with regard to the corporate purpose, whether in relation to operational projects, strategic management or specific agreements;
- liaises between the Independent Directors, the other Directors and Executive Management;
- ensures that the Directors are given comprehensive background information before Board meetings;
- ensures that the Board of Directors' Rules of Procedure are observed and that the Company complies with best practices and industry standards in governance matters;
- ensures that the Board of Directors' decisions are implemented;
- takes part in the Board of Directors' self-assessment process;
- takes part in dialogue with the shareholders;
- deputises for the Chair of the Board whenever necessary.

In performing these duties, the Lead Independent Director has the power to:

- consult with the Chair of the Board on the schedule and agenda for Board meetings and add additional items to the agenda drawn up by the Chair;
- organise meetings of the non-executive Directors and Independent Directors (executive sessions) and chair the discussions during these sessions;
- attend all Committee meetings and have access to the Committees' work;
- organise regular meetings with the Company's operating or functional executives, at his request, and after notifying the Chair and Chief Executive Officer.

In 2021, the Lead Independent Director:

- was the key contact point for Independent Directors due to his participations in meetings of the Board, the Audit Committee and the Nomination and Compensation Committee, and met on an individual basis with the Directors where necessary and whenever they requested it. During the year, he also attended the meetings of the Strategy and Investment Committee and the CSR Committee, and initiated the organisation of two executive sessions which were attended by all the Directors of the Board, with the exception of the Chair and Chief Executive Officer;
- also took steps to assist the Chairman in ensuring the proper functioning of the Company's supervisory bodies, particularly in ensuring that the Directors were given comprehensive background information before Board meetings, in setting the 2022 schedule for Board and Committee meetings, and in reviewing the Board's agendas and minutes prior to their submission to the Board for approval;
- did not have to deal with any conflicts of interest.

Main activities of the Board of Directors in 2021

The Board of Directors met seven times in 2021. The attendance rate based on Directors present was 97.73%.

7	97.73%
Meetings	Attendance rate

Having considered the summaries prepared by the Audit, Nomination and Compensation, Strategy and Investment and CSR Committees on their work, the Board of Directors mainly focused its work on the following areas:

Financial management

The Board of Directors was kept informed of the Audit Committee's work throughout the year. Having considered the reports of the Chairman of the Audit Committee and the Statutory Auditors:

- the Board of Directors approved the annual and half-yearly statutory and consolidated financial statements and the related reports and draft press releases;
- authorised the signing of agency and service agreements between Carmila and Carrefour group companies;
- performed the annual review of related-party agreements;
- implemented the Company's share buyback programme authorised by the Annual General Meeting of 18 May 2021, and decided to set up a share buyback programme for a maximum amount of €8 million, giving rise to a reduction in the Company's share capital by cancelling the shares thus bought back;
- renewed the annual authorisations granted to the Chair and Chief Executive Officer with regard to bond issues and guarantees;
- reviewed the Group's funding policy and commitments and decided to cancel the commitments available under the existing revolving credit facilities agreement and to enter into a new revolving credit facilities agreement based on sustainability criteria;
- reviewed the Group's risk map;
- adopted an Audit Committee Charter related to the authorisation thresholds for non-audit services;
- approved the Company's 2022 budget.

Governance and compensation of corporate officers

On the recommendation of the Nomination and Compensation Committee, the Board reviewed the following matters during 2021:

- governance of the Company:
  - approval of the Corporate Governance Report;
  - determination of the desired balance of the membership of the Board of Directors and its Committees, particularly in terms of diversity (gender balance, nationality, age, qualifications, professional experience, etc.);
  - annual review of Directors' independence;
  - external assessment of the Board of Directors and its Committees;
  - succession plans for corporate officers and key senior executives;
  - re-appointed three Directors, i.e., Sogecap represented by Yann Briand, Predica, represented by Emmanuel Chabas and Cardif Assurance Vie represented by Nathalie Robin;
  - expiry of the terms of office of two Directors, i.e., Alexandre de Palmas and Axa Reim France, represented by Amal del Monaco;
  - appointment of Élodie Perthuisot as a Director;
  - convening of the Annual General Meeting for 18 May 2021;
  - reviewing the Board of Directors' membership;
- compensation:
  - the components of compensation to be paid in respect of 2020 to Marie Cheval, Chair and Chief Executive Officer as from 3 November 2020, Sébastien Vanhoove, Deputy Chief Executive Officer, as well as to Alexandre de Palmas, Chairman and Chief Executive Officer until 2 November 2020, and Géry Robert-Ambroix, Deputy Chief Executive Officer, for the period until 15 March 2021;
  - 2021 compensation policy for Marie Cheval, Chair and Chief Executive Officer and for Sébastien Vanhoove, Deputy Chief Executive Officer;
  - 2020 compensation to be paid to the members of the Board of Directors and their 2021 compensation policy;
  - creation of a new long-term incentive plan comprising free share allocations for the corporate officers and key employees of the Company;
  - acknowledging performance and service conditions of the free preference share plans of 16 May 2018 and 24 October 2018, and the conversion of preference shares into ordinary shares, thus reducing the Company's share capital.

Annual General Meeting of 18 May 2021

The Board of Directors approved the notice of meeting, the agenda, the draft resolutions and the Board of Directors' report to the General Meeting; it set the dividend distribution policy; it delegated all powers to the Chair and Chief Executive Officer to increase the share capital in order to pay out the dividend in new Company shares. It approved the related-party agreements and commitments concluded during the year and conducted the annual review of the related-party agreements and commitments that remained in force during the year. In accordance with the French Sapin II Law and the recommendations of the AFEP-MEDEF Code, it asked the shareholders at the Annual General Meeting to approve:

- the corporate officers' compensation, as required under paragraph I of Article L. 22-10-9 of the French Commercial Code;
- the revised 2020 compensation policy for Marie Cheval, Chair and Chief Executive Officer;
- the components of compensation due or granted in respect of 2020 to Marie Cheval, Chair and Chief Executive Officer, for the period since her appointment, as well as Sébastien Vanhoove, Deputy Chief Executive Officer;
- the components of compensation due or granted in respect of 2020 to Alexandre de Palmas, Chairman and Chief Executive Officer until 2 November 2020, and Géry Robert-Ambroix, Deputy Chief Executive Officer for the period until 15 March 2021;
- the 2021 compensation policy for the Chair and Chief Executive Officer, the Deputy Chief Executive Officer and the Directors.

Strategy and growth

On the recommendation of the Strategy and Investment Committee, the Board reviewed the following matters during 2021:

- the Company's acquisition, extension and disposal projects;
- the 2022-2026 Building Sustainable Growth strategic plan presented to the market in December 2021;
- mixed-used projects and new business lines.

CSR

On the recommendation of the CSR Committee, the Board reviewed the following matters during 2021:

- the update of the Company's 2021 CSR strategy and the proposed implementation of the strategy;
- the validation of performance indicators under the new revolving credit facilities agreement based on sustainability criteria;
- the definition of new 2022 targets.

Frequency of Board of Directors' meetings and attendance in 2021

The table below shows the individual attendance rate for each Director at meetings of the Board and its Committees:

Director	Attendance at Board of Directors' meetings	Attendance at Audit Committee meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Strategy and Investment Committee meetings	Attendance at CSR Committe e meetings
Marie Cheval Chair and Chief Executive Officer	100%	-	-	-	100%
Olivier Lecomte Lead Independent Director	100%	100%	100%	-	-
Sogecap (rep. by Yann Briand)	100%	100%	-	-	-
Predica (rep. by Emmanuel Chabas)	100%	-	-	100%	-
Axa Reim France (rep. by Amal Del Monaco) until 18 May 2021	100%	-	0%	-	-
Séverine Farjon	100%	-	100%	-	100%
Maria Garrido	100%	100%	-	-	100%
Laurent Luccioni	100%	-	100%(2)	-	-
Nadra Moussalem	100%	-	-	100%	-
Jérôme Nanty	86%	-	100%	100%	-
Alexandre de Palmas until 18 May 2021	100%	-	-	-	100%
Claire Noël Du Payrat	100%	100%	-	-	-
Élodie Perthuisot from 18 May 2021	80%				
Cardif Assurance Vie (rep. by Nathalie Robin)	100%	-	-	100%	100%
Laurent Vallée	100%	-	100%	100%	100%
Average	97.73%(1)	**100%**	**83.3%**	**100%**	**100%**

(1) Average attendance not including Non-Voting Directors.
(2) Since appointment to the Nomination and Compensation Committee at the Board meeting of 26 March 2021.

Assessment of the Board of Directors

In accordance with its Rules of Procedure, the Board of Directors regularly reviews its membership, organisation and operating procedures. In particular, it evaluates the balance and diversity of its membership and that of its Committees, and periodically considers whether its structure and operating procedures are adequate with regard to its responsibilities.

To that end, once a year the Board of Directors devotes time on its agenda to a discussion on its operating procedures.

In 2021, the Nomination and Compensation Committee oversaw the self-assessment of the Board of Directors, before presenting the results to the Board at its meeting of 24 March 2022.

In general, the performance and functioning of the Board and the Committees is deemed very satisfactory by their members. Directors consider that the Board's duties and responsibilities are perfectly understood, that the Board accomplishes its duties with independence, guided by the social interest of the Company. The follow up of the implementation and results of its strategic decisions is properly carried out.

The diversity of the profiles, as well as the Board members' competence is recognised, and allows meaningful debates with the executive management, reinforced by the arrival of the new Chair and Chief Executive Officer, and the new mission of the Lead Independent Director, which have made exchanges between Directors more fluid.

Areas identified for improvement and to strengthen Board member knowledge of the Company's businesses included (i) the possibility to benefit from additional presentations on Carmila's omnichannel and digital strategy, and (ii) an increase in the number of meetings between the Board of Directors and Group Management in France and in other countries.

5.1.3.3 Board of Directors' Committees

At its meeting on 12 June 2017, the Board of Directors decided to establish three Committees responsible for considering matters referred to it by itself or by its Chairman: the Audit Committee, the Nomination and Compensation Committee, and the Strategy and Investment Committee. At its meeting of 2 April 2020, the Board of Directors decided to create a fourth Committee, the CSR Committee, and amended its Rules of Procedure accordingly.

The Committees exclusively comprise Directors appointed by the Board of Directors for their whole term of office. Each Committee is chaired by one of its Independent Directors.

The Committees regularly report on their work to the Board of Directors and share their observations, opinions, proposals and recommendations.

Audit Committee

Membership

At 31 December 2021, the Audit Committee comprised four members chosen from among the Directors, at least three of whom are Independent Directors, and appointed on the recommendation of the Nomination and Compensation Committee by the Board for the duration of their term of office. No executive corporate officers sit on the Audit Committee.

The Chairman of the Audit Committee is appointed by the Board, on the recommendation of the Nomination and Compensation Committee, taking his or her specific expertise into consideration. The appointment must be subject to a specific review by the Board.

The Company's Audit Committee comprises the following members:

- Olivier Lecomte, Lead Independent Director (Committee Chairman);
- Yann Briand, Independent Director, permanent representative of Sogecap;
- Maria Garrido, Independent Director; and
- Claire Noël du Payrat, Director.

Duties

As part of its role in overseeing matters relating to the preparation and control of financial and accounting information and monitoring the effectiveness of risk management and operational internal control, the Audit Committee is responsible for:

- reviewing the accounting methods and asset valuation procedures used by the Company and its Subsidiaries, and monitoring the preparation of financial information by ensuring the relevance and consistency of the accounting methods;
- reviewing the Company's draft statutory and consolidated financial statements before their presentation to the Board;
- leading the selection process for the Company's Statutory Auditors in accordance with the applicable legal and regulatory provisions, and submitting its proposal or opinion to the Board;
- implementing a pre-approval and monitoring process for non-audit engagements by the Statutory Auditors, as well as the rules for delegating authority to the Company's Management, and ensuring that the provision of such non-audit services does not compromise their independence;
- reviewing the related-party agreements referred to in Article L. 225-38 of the French Commercial Code, with the exception of those previously reviewed by the Strategy and Investment Committee in accordance with the Rules of Procedure;
- issuing an opinion on:
  - the creation or substantial modification of the general framework and financing conditions for services relating to lease management, asset management, shopping centre management, marketing or Specialty Leasing of real estate assets held by the Company and its Subsidiaries in cases where such services are part of an agreement with a Reference Shareholder and/or any Affiliate of such Reference Shareholder and the early termination or renewal of such agreements. It should be noted that the conclusion or amendment of such agreements need not be submitted to the Board, provided that they comply with the general framework and financing conditions approved by the Board. The Directors representing the Reference Shareholder do not vote on these decisions, and
  - the conclusion, substantial modification, early termination or renewal of agreements between (a) the Company and/or one of its Subsidiaries and (b) a Reference Shareholder and/or any Affiliate of such Reference Shareholder, specifically: (i) any agreement relating to the provision of administrative or accounting services for an amount exceeding an amount specified in the Rules of Procedure, (ii) any agreement relating to the grant of loans, advances, guarantees, pledges, undertakings, security interests or liens in favour of a Reference Shareholder and/or any Affiliate of such Reference Shareholder and (iii) any other agreement for a total amount exceeding an amount specified in the Rules of Procedure, other than agreements concluded or transactions carried out pursuant to the Renovation and Development Agreement dated 16 April 2014 with Carrefour, and agreements entered into in the normal course of business. The Directors representing the Reference Shareholder (other than the Chair, except when the agreement in question relates to the exercise of his or her duties or his or her compensation) do not vote on these decisions;
- monitoring the management and verification of the clarity of the information provided to shareholders and the markets;
- monitoring the effectiveness of internal control systems, internal audits and risk management in respect of the preparation and processing of financial and accounting information;
- examining risks, risk levels and risk prevention procedures, as well as material off-balance sheet commitments, and assessing the significance of any deficiencies or failings indicated to the Committee and informing the Board thereof; and
- regularly reviewing the status of significant disputes.

When reviewing the financial statements, the Audit Committee also examines significant transactions which may have presented a potential conflict of interest. The examination of the financial statements by the Audit Committee takes place alongside the presentation by the Company's Statutory Auditors of the main audit findings (in particular, audit adjustments and significant internal control deficiencies identified during their engagement in connection with the preparation and processing of financial and accounting information) and the accounting options used. The examination of the financial statements is also accompanied by a presentation by Management describing the Company's risk exposure, including social and environmental risks, and setting out the Company's off-balance sheet commitments and the accounting options used.

The Statutory Auditors bring to the attention of the Audit Committee all information required by law, in particular the information required pursuant to Article L. 823-16 of the French Commercial Code.

The Chair and Chief Executive Officer has always abstained from attending meetings of the Audit Committee but, when necessary, is invited to attend part of the meetings at the request of the Committee Chair.

Work of the Audit Committee in 2021

The Audit Committee met six times in 2021, with an attendance rate of 100%.

6	100%
Meetings	Attendance rate

The main work conducted by the Committee during its meetings in 2021 concerned:

- reviewing the draft statutory and consolidated financial statements for the year ended 31 December 2020, and the half-yearly results at 30 June 2021, as well as the corresponding financial reports and press releases;
- presenting the Company's risk exposure and its off-balance sheet commitments;
- reviewing the agency and service agreements entered into between Carmila and Carrefour group companies;
- reviewing the related-party agreements entered into or ongoing in 2020;
- examining the Board of Directors' management report on the financial statements for the year ended 31 December 2020 concerning internal control and risk management procedures;
- re-appointing Deloitte & Associés as Statutory Auditor;
- reviewing the funding policy, in particular with the signing of a new revolving credit facilities agreement based on sustainability criteria;
- reviewing the business plan;
- reviewing the 2022 budget;
- reviewing the risk mapping and the internal control audit;
- amending the Audit Committee Charter related to the authorisation thresholds for non-audit services; and
- more specifically, monitoring the impact of the health crisis on the Company's business.

In addition, the Committee Chairman reported to the Board of Directors on the work of the Audit Committee.

Nomination and Compensation Committee

Membership

At 31 December 2021, the Nomination and Compensation Committee comprised five members chosen from among the Directors – at least three of whom are independent Directors, including its Chair – and appointed by the Board for the duration of their term of office.

In 2021, Amal Del Monaco was replaced by Laurent Luccioni as a member of the Nomination and Compensation Committee.

No executive corporate officers sit on the Nomination and Compensation Committee.

The Company's Nomination and Compensation Committee comprises the following members:

- Séverine Farjon, Independent Director (Committee Chair);
- Olivier Lecomte, Lead Independent Director;
- Laurent Luccioni, Independent Director;
- Jérôme Nanty, Director; and
- Laurent Vallée, Director.

Duties

The Nomination and Compensation Committee, whose main role is to assist the Board of Directors in determining and regularly assessing all compensation and benefits of corporate officers and senior executives of the Company and in overseeing the membership of the Company's supervisory bodies, is responsible for:

- proposing Independent Director candidates, organising the selection of future Independent Directors and carrying out its own review of potential candidates before taking any action, as well as issuing opinions on the candidates proposed by other Directors;
- proposing candidates to join the Board of Directors' Committees and to be appointed as corporate officers;
- issuing proposals on the compensation and incentive policies applicable to employees and corporate officers of the Company and its subsidiaries and on stock option plans and free ordinary and preference share allocations;
- submitting proposals to the Board regarding the terms of protection for corporate officers (civil liability insurance for corporate officers); and
- periodically assessing the work of the Board.

Concerning the selection of new Directors, the Nomination and Compensation Committee is responsible for submitting proposals to the Board after having examined all the relevant elements in detail, in particular in light of the shareholding structure of the Company and any changes thereto, in order to ensure a balanced membership, giving due consideration to the representation of the Company's major shareholders (it should be noted that representatives of the Reference Shareholder cannot qualify as Independent Directors), gender balance, nationality, age, qualifications, professional experience, etc. Each year, it also reviews the individual situation of each Director based on the independence criteria set out in the AFEP-MEDEF Code to which it refers.

The Nomination and Compensation Committee may consider that even though a Director meets the above criteria, he or she may not be deemed independent given his or her specific situation or that of the Company, due its shareholding structure or for any other reason. Conversely, the Nomination and Compensation Committee may consider that a Director who does not meet the required criteria can nevertheless be deemed independent.

It also issues a recommendation on the overall amount and methods for allocating the Directors' compensation.

The Nomination and Compensation Committee reviews the compensation policy for senior executives reporting directly to the Chief Executive Officer, as well as for the executive corporate officers.

The Nomination and Compensation Committee draws up a succession plan for the main corporate officers, which is presented to the Board of Directors.

Work of the Nomination and Compensation Committee in 2021

The Nomination and Compensation Committee met three times in 2021, with an attendance rate of 83.33%.

5 DIRECTORS

3	83.3%
Meetings	Attendance rate

The main topics discussed by the Committee during its meetings in 2021 were as follows:

- reviewing the Corporate Governance Report;
- annual review of Directors' independence;
- reviewing the executive corporate officers' 2020 compensation and 2021 compensation policies;
- reviewing the 2020 compensation and 2021 compensation policies for the members of the Board of Directors;
- implementing a free share plan (2021 Plan);
- recording the performance and service conditions of the free preference share plans of 16 May 2018 and 24 October 2018, and the conversion of preference shares into ordinary shares;
- reviewing the Board of Directors' external assessment;
- reviewing the membership, organisation and operating procedures of the Board of Directors and its Committees;
- reviewing the succession plans for corporate officers and key senior executives;
- re-appointing three Directors for four-year terms, appointing a new Director for a four-year term and acknowledging the expiry of the terms of office of two Directors and two Non-Voting Directors.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the Nomination and Compensation Committee.

Strategy and Investment Committee

Membership

At 31 December 2021, the Strategy and Investment Committee comprised six members chosen from among the Directors and appointed by the Board for the duration of their term of office. The Chair of the Strategy and Investment Committee is appointed by the Board.

The Company's Strategy and Investment Committee comprises the following members:

- Nathalie Robin, Independent Director (Committee Chair);
- Marie Cheval, Chair and Chief Executive Officer;
- Emmanuel Chabas, Independent Director;
- Nadra Moussalem, Independent Director;
- Jérôme Nanty, Director; and
- Laurent Vallée, Director.

Duties

The Strategy and Investment Committee, prior to any decision of the Chair and Chief Executive Officer (or the Deputy Chief Executive Officer, as the case may be) and/or of the Board of Directors, as applicable, is responsible for:

- reviewing the Company's investment strategy and that of its Subsidiaries and monitoring investment opportunities;
- reviewing, and issuing an opinion on, the annual investment budget;
- issuing an opinion on any investment or divestment for an amount exceeding €15 million;
- examining, and issuing an opinion on, decisions relating to any proposed investment or divestment requiring the prior authorisation of the Board; and
- examining, and issuing an opinion on, decisions regarding the conclusion, substantial modification, early termination or renewal of the Renovation and Development Agreement with Carrefour, and regarding any asset transfer agreement for an amount exceeding an amount specified in the Rules of Procedure, between (a) the Company and/or one of its Subsidiaries, and (b) a Reference Shareholder (defined as any entity having a significant direct or indirect influence on the Company) and/or any Affiliate of such Reference Shareholder.

The Directors representing the Reference Shareholder only take part in the deliberations of the Strategy and Investment Committee in an advisory capacity.

Work of the Strategy and Investment Committee in 2021

The Strategy and Investment Committee met four times in 2021, with an attendance rate of 100%.

6 DIRECTORS

4	100%
Meetings	Attendance rate

The main topics discussed by the Committee during its meetings in 2021 were as follows:

- the Company's acquisition, disposal and asset extension projects and opportunities;
- mixed-used projects and new business lines.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the Strategy and Investment Committee.

CSR Committee

At 31 December 2021, the CSR Committee comprised five members chosen from among the Directors and appointed by the Board for the duration of their term of office. The Chair of the CSR Committee is appointed by the Board.

Membership

The Company's CSR Committee comprises the following members:

- Séverine Farjon, Independent Director (Committee Chair);
- Marie Cheval, Chair and Chief Executive Officer;
- Nathalie Robin, Independent Director;
- Laurent Vallée, Director;
- Maria Garrido, Independent Director.

Work of the CSR Committee in 2021

The CSR Committee met twice during 2021, with an attendance rate of 100%.

2	100%
Meetings	Attendance rate

The Committee met to update the Company's 2021 CSR strategy, present the proposed strategy implementation, propose performance indicators under the new revolving credit facilities agreement based on sustainability criteria, and set the 2022 objectives for the Company's CSR strategy.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the CSR Committee.

Duties

In particular, the CSR Committee is responsible for:

- examining the Company's CSR commitments and policy priorities, their alignment with stakeholder expectations, and their roll-out, and ensuring that CSR matters are properly taken into account in the Company's strategy and its implementation;
- assessing risks, identifying new opportunities and analysing the impact of the CSR policy on financial performance;
- reviewing the annual statement on the Group's non-financial performance;
- reviewing the summary of the ratings awarded to the Company by ratings agencies and non-financial analysts; and
- identifying and discussing emerging CSR trends, and verifying that the Company is well prepared for the challenges specific to its business and objectives.

5.2 Executive corporate officer compensation

The presentation of the compensation of the Company's corporate officers described below includes the disclosures required under French order no. 2019-1234 of 27 November 2019, adopted in application of French law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law). Under the legislation, the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021 is required to vote on the following resolutions:

- approval of the corporate officers' compensation, as required under paragraph I of Article L. 22-10-9 of the French Commercial Code;
- approval of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or granted in respect of 2021 to Marie Cheval, Chair and Chief Executive Officer;
- approval of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or granted in respect of 2021 to Sébastien Vanhoove, Deputy Chief Executive Officer;
- approval of the compensation policy for the Chair and Chief Executive Officer;
- approval of the compensation policy for the Deputy Chief Executive Officer;
- approval of the compensation policy for the members of the Board of Directors.

The following section of the Corporate Governance Report includes (i) a summary of the compensation policies for the executive corporate officers (section 5.2.1), (ii) all components of compensation and benefits in kind paid or awarded to the corporate officers in respect of 2021 (section 5.2.2), and (iii) the 2022 compensation policies for corporate officers (section 5.2.3).

5.2.1 Summary of the compensation policies for the corporate officers

5.2.1.1 General principles for setting, implementing and applying the compensation policies applicable to the corporate officers

Setting the compensation policies

The compensation policies applicable to Carmila's executive corporate officers are set by the Board of Directors based on the recommendations of the Nomination and Compensation Committee, and put to the vote at the Annual General Meeting. In accordance with the provisions of Carmila's Rules of Procedure, the Nomination and Compensation Committee has the power to make any proposals relating to the compensation policies applicable to the executive corporate officers.

In terms of the compensation of the Deputy Chief Executive Officer, the Chair and Chief Executive Officer proposes the compensation policy to the Nomination and Compensation Committee, which reviews it before making a recommendation to the Board of Directors.

Lastly, on the recommendation of the Nomination and Compensation Committee, each year the Board of Directors determines the allocation of the compensation to the members of the Board of Directors, within the budget approved by the Annual General Meeting and taking into account any waivers by the Directors and their attendance at meetings of the Board and any Committees on which they sit.

The principles governing the compensation granted to the corporate officers are set in accordance with the requirements of the AFEP-MEDEF Code to which the Company refers. As such, the Board of Directors ensures that the compensation granted to the corporate officers reflects the Group's strategy, in order to promote the Company's medium- and long-term performance and competitiveness by acting responsibly in the interest of the Company and all stakeholders.

The compensation policies for the Chair and Chief Executive Officer and the Deputy Chief Executive Officer were discussed and approved by the Board of Directors at its meeting of 16 February 2021, based on the recommendations of the Nomination and Compensation Committee, in accordance with the provisions of Articles L. 22-10-8, L. 22-10-9 and L. 22-10-34 of the French Commercial Code.

Review of the compensation policies

The compensation policies are reviewed each year by the Board of Directors on the recommendation of the Nomination and Compensation Committee, after the financial statements have been approved. The Nomination and Compensation Committee ensures that the compensation granted to the corporate officers is competitive and, as such, may refer to studies of comparable companies or the opinions of external firms.

In undertaking the review, the Nomination and Compensation Committee takes into account the compensation and employment terms of the Company's employees, in order to make recommendations and proposals to the Board of Directors.

Moreover, the Nomination and Compensation Committee ensures that the performance criteria set reflect the Company's strategy and, in the case of qualitative criteria, any specific duties related thereto.

Implementation of the compensation policies

The compensation policies for the corporate offices are implemented by the Board of Directors in accordance with the resolutions passed by the Annual General Meeting. Each year, after the Company's financial statements have been approved, the Board of Directors draws on the recommendations of the Nomination and Compensation Committee to set objectives linked to each of the performance criteria on which the annual variable compensation of the Chair and Chief Executive Officer and Deputy Chief Executive Officer is based. It also sets targets and maximum and minimum objectives, so that the amount of variable compensation can be adjusted upwards or downwards according to the performance criteria set.

Drawing on the recommendations of the Nomination and Compensation Committee and following the authorisation of the Annual General Meeting, the Board of Directors sets the terms of the long-term compensation granted to the corporate officers in the form of free shares or free preference shares, based on the Company's performance and ambitions.

In accordance with the provisions of Article L. 22-10-8 III of the French Commercial Code, after the Nomination and Compensation Committee has advised on the matter, the Board of Directors may decide not to apply the compensation policy concerning annual fixed compensation, annual variable remuneration and long-term compensation, and in particular the performance criteria and conditions, in the event of exceptional circumstances if said change remains temporary, in accordance with the Company's interests and where necessary to guarantee its continuity or viability.

Managing conflicts of interest

The Company adheres to the conditions set out in the AFEP-MEDEF Code on managing conflicts of interest. As such, in accordance with the provisions of Article 1.6.6 of the Company's Rules of Procedure, any situation liable to result in a conflict of interest must be brought to the attention of the Board of Directors and may be investigated by the Lead Independent Director in particular.

In the event that a conflict of interest is unavoidable, the corporate officer in question abstains from taking part in the discussions and any decision-making on the matters in question.

Application of the compensation policies

Appointment of new corporate officers

If a new Chair and Chief Executive Officer is appointed, the compensation policy applicable to the current Chair and Chief Executive Officer will be applied, taking into account any additional duties assigned by the Board of Directors.

If a new Deputy Chief Executive Officer is appointed, the compensation policy applicable to the Deputy Chief Executive Officer will be applied.

However, the specific circumstances of each of the corporate officers and their responsibilities may be taken into account by the Board of Directors, on the recommendation of the Nomination and Compensation Committee. The Board may adjust the compensation policy accordingly and the revised policy will be subject to approval at the Annual General Meeting.

If a new Director is appointed, the compensation policy applicable to current members of the Board of Directors will be applied.

Performance criteria evaluation method

The performance criteria applied to the variable compensation granted to the corporate officers and the long-term compensation are measurable. Performance criteria are based on financial and non-financial criteria, the achievement of which is audited by the Statutory Auditors during the audit of the financial statements, but also on the Company's non-financial statement for the year in question.

Application of the compensation policies based on the status of each executive corporate officer

Carmila's executive corporate officers do not all have the same status. Marie Cheval resigned from her position as Executive Director in charge of Hypermarkets and Financial Services with the Carrefour group when she was appointed Chair and Chief Executive Officer of Carmila. Her compensation as Chair and Chief Executive Officer is therefore paid in full by the Company. Conversely, Sébastien Vanhoove, Deputy Chief Executive Officer since 24 October 2018, is an employee of the Carrefour group. The amount of his fixed and variable compensation is paid by the Company for up to 50% and is rebilled by Carrefour to the Company under a secondment agreement.

5.2.2 Application of the compensation policies for the executive corporate officers for the year ended 31 December 2021 (Articles L. 22-10-9 I and L. 22-10-34 II of the French Commercial Code)

The disclosures on the components of compensation paid or granted to the executive corporate officers for 2021 as presented in this section are the disclosures required under Article L. 22-10-9 I of the French Commercial Code and put to a shareholder vote pursuant to Article L. 22-10-34 II of the French Commercial Code.

The compensation and benefits in kind paid or granted in respect of 2021 are in line with the compensation policies approved at the Annual General Meeting of 18 May 2021 for Marie Cheval and Sébastien Vanhoove.

SUMMARY TABLE OF THE COMPONENTS OF COMPENSATION PAID IN RESPECT OF 2021

The table below shows a summary of the components of compensation to which each of the executive corporate officers is entitled under the applicable 2021 compensation policy.

Component of compensation	Marie Cheval	Sébastien Vanhoove
Fixed compensation	√	√
Variable compensation	√	√
Exceptional compensation	-	-
Long-term incentive plan	√	√
Benefits in kind	√	-
Directors' compensation	√	-
Supplementary pension plan	√(1)	-
Termination benefit – Severance pay	-	-
Non-compete benefit	√	-

(1) The 2021 compensation policy for the Chair and Chief Executive Officer provided for the possibility to benefit from a supplementary pension plan. However, given that this plan has not been implemented within the Company, no payment was made to Marie Cheval, Chair and Chief Executive Officer, in 2021.

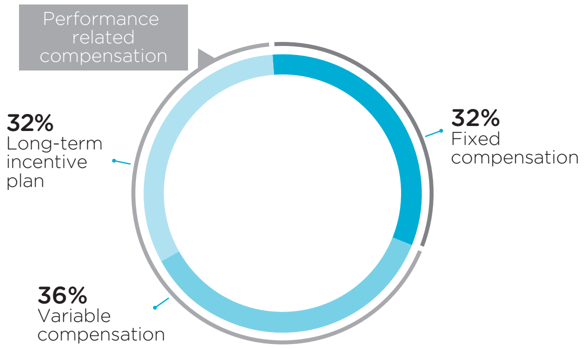
5.2.2.1 Components of compensation and benefits in kind paid or granted in respect of 2021 to the Chair and Chief Executive Officer

At the Board meeting of 2 November 2020, Marie Cheval was appointed Chair and Chief Executive Officer to replace Alexandre de Palmas. At its meeting on 26 November 2020, the Board of Directors also decided to amend the 2020 compensation policy to reflect Marie Cheval's specific circumstances, as her compensation as Chair and Chief Executive Officer is paid in full by the Company. This revised policy was submitted to the approval of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020.

At its meeting of 16 February 2021, on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided on the 2021 compensation policy for Marie Cheval, which was approved by the Annual General Meeting on 18 May 2021.

Marie Cheval does not hold any executive positions other than Chair and Chief Executive Officer of Carmila.

She does not have an employment contract with the Company.



BREAKDOWN OF THE COMPENSATION GRANTED OR PAID IN RESPECT OF 2021 AND 2020 TO MARIE CHEVAL, CHAIR AND CHIEF EXECUTIVE OFFICER, CALCULATED PRO RATA TO HER EFFECTIVE TERM OF OFFICE (TABLE 2 OF THE AFEP-MEDEF CODE)

Marie Cheval Chair and Chief Executive Officer	2021*		2020*	
	Amounts granted for the year	Amounts paid during the year	Amounts granted for the year	Amounts paid during the year
	Annual basis	Annual basis	Annual basis	Annual basis
Fixed compensation *(gross before tax)*	€500,000	€500,000	€79,544(1)	€79,544(1)
Annual variable compensation	€563,000(2)	€82,833(3)	€82,833(3)	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	€45,000	€9,375	€9,375	€0(4)
Benefits in kind	€2,220	€370(6)	€2,230(5)	N/A
TOTAL	**€1,110,220**	**€592,578**	**€173,982**	**N/A**

* *Fixed and variable compensation paid by Carmila.*
(1) *Proportionate amount based on her effective presence in the Carmila Group as Chair and Chief Executive Officer since 3 November 2020.*
(2) *Payment subject to approval at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.*
(3) *Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020, the amount of which will be calculated pro rata to the start of her term of office as Chair and Chief Executive Officer on 3 November 2020, making a total of 2/12ths of her gross fixed compensation.*
(4) *In her capacity as Director representing Carrefour, Marie Cheval waived her compensation in respect of 2019 and 2020 until her appointment as Chair and Chief Executive Officer.*
(5) *The amount of the benefit in kind due in respect of 2020 includes (i) the use by Marie Cheval of a company car, and (ii) an estimate of the GSC insurance contribution, the amount of which was not yet known at the time of publication of the 2020 Universal Registration Document, and was calculated on a pro rata basis, i.e., 2/12ths.*
(6) *The amount of the benefit in kind paid in 2021 in respect of 2021 only includes the use by Marie Cheval of a company car calculated on a pro rata basis, i.e., 2/12ths, as the contribution to the GSC unemployment insurance was not treated as a benefit in kind.*

Fixed compensation

Marie Cheval's fixed compensation in her capacity as Chair and Chief Executive Officer is paid in full by the Company. Pursuant to these principles, the fixed compensation of the Chair and Chief Executive Officer paid by Carmila amounts to €500,000.

Annual variable compensation

Calculation methods

The variable compensation received by the Chair and Chief Executive Officer in respect of her duties within the Company is determined by the Board of Directors of the Company, on the recommendation of the Nomination and Compensation Committee and based on performance criteria. The variable portion of the Chair and Chief Executive Officer's compensation amounts to 100% of her gross fixed compensation if the performance criteria are achieved at 100%, and up to 120% of her gross fixed compensation paid by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2021, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

(i) general quantifiable criteria for 50% of the variable compensation (gross asset value of the portfolio [including transfer taxes], 2021 EPRA Cost Ratio [excluding direct vacancy costs and Covid-19 impact], growth in 2021 recurring earnings per share excluding the impact of a potential stock dividend, and percentage of centres with BREEAM certification or equivalent at the end of 2021, as a percentage of GAV);

(ii) individual quantifiable criteria for 20% of the variable compensation (change in the vacancy rate, revenues generated by certain Specialty Leasing and Pop-up Store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate [2021 year-on-year]) and customer Net Promoter Score; and

(iii) qualitative criteria for 30% of the variable compensation (governance and compliance, financial communications, the Carmila Retail Development business and new business lines/innovations, quality of customer and partner relations, and financial policy).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

At its meeting of 16 February 2022, on the recommendation of the Nomination and Compensation Committee, the Board of Directors noted that the achievement rates for the performance criteria underlying Marie Cheval's variable compensation were as follows:

- 167% for the general quantifiable criteria;
- 171% for the individual quantifiable criteria; and
- 150% for the individual criteria;
- i.e., an overall achievement rate of 163%.

The annual variable compensation due to Marie Cheval in respect of 2021 amounts to €563,000.

Long-term incentive plan

At its meeting of 18 May 2021, acting under the authorisation given by the Annual General Meeting on the same day and on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to allocate, subject to service and performance conditions, 44,248 free shares (equivalent of twelve months' salary) to Marie Cheval. Details of the performance criteria and terms of the share allocations made to Marie Cheval are provided in section 5.2.2.3 "Free shares allocated to the executive corporate officers in 2021" of this Universal Registration Document.

The following table shows the value of the free shares allocated to Marie Cheval:

	2021
Value of options allocated during the year	N/A
Maximum value of Carmila shares allocated without consideration during the year (2021 free share plan [FSP] of 18 May 2021)	€500,000(1)
TOTAL	**€500,000(1)**

(1) Maximum amount calculated on the assumption that performance conditions are fully achieved, and based on a share price of €11.30 corresponding to the average closing price of the last 40 trading days in 2020.

Benefits in kind

Marie Cheval may receive benefits in kind. She is covered by the private executive unemployment insurance plan taken out with GSC. Contributions into the plan are borne by the Company. The contribution for 2020 was considered as a benefit in kind and was estimated at €1,860 in respect of 2020, as the amount was not known at the time of the publication of the Universal Registration Document; to which was added €185 per month in benefits in kind relating to the use of a company car.

Contributions to the GSC unemployment insurance plan were not treated as benefits in kind in 2020 or 2021. The sole benefit in kind attributable to Marie Cheval is the use of a company car valued at €370 for 2020 and at €2,220 for 2021.

Exceptional compensation

Marie Cheval did not receive any exceptional compensation.

Directors' compensation

As a Director and Committee member, the Chair and Chief Executive Officer is entitled to compensation based on the same rules set by the compensation policy applicable to Board members.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors granted compensation in the amount of €45,000 to Marie Cheval for 2021, in respect of her duties as Director, Chair of the Board of Directors and member of the Strategy and of the Investment Committee and CSR Committee.

Other components of compensation

Marie Cheval is not eligible for any severance pay (resignation, dismissal, forced resignation or retirement) upon the termination of her corporate office within the Company, or any indemnities in respect of a non-compete clause or a supplementary pension plan.

Shareholding obligation

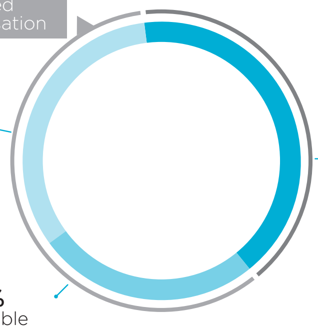
In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, the Chair and Chief Executive Officer must hold 10,000 Company shares for the duration of her corporate office.

As of the date of this Universal Registration Document, Marie Cheval held 5,939 Carmila ordinary shares.

5.2.2.2 Components of compensation and benefits in kind paid or granted in respect of 2021 to Sébastien Vanhoove, Deputy Chief Executive Officer

Following the appointment of Marie Cheval as Chair and Chief Executive Officer of the Company, the term of office of Sébastien Vanhoove as Deputy Chief Executive Officer was confirmed, at Marie Cheval's proposal. At its meeting of 16 February 2021, the Board of Directors also decided on the 2021 compensation policy for Sébastien Vanhoove, which was approved by the Annual General Meeting on 18 May 2021.

Sébastien Vanhoove is Chairman of Carrefour Property France, in which capacity he is responsible for Carrefour Property France and its subsidiaries. He holds an employment contract with Carrefour Management, which covers his duties. A secondment agreement is in place between the Carrefour group and the Company, under which Sébastien Vanhoove is seconded to the Company for half of his working hours, with his fixed and variable compensation rebilled to the Company as from 1 August 2018. The secondment agreement was approved by the Annual General Meeting of 16 May 2019 under the related-party agreements procedure.



BREAKDOWN OF THE COMPENSATION GRANTED OR PAID IN RESPECT OF 2021 AND 2020 TO SÉBASTIEN VANHOOVE, DEPUTY CHIEF EXECUTIVE OFFICER (TABLE 2 OF THE AFEP-MEDEF CODE)

	2021*		2020*	
Sébastien Vanhoove	**Amounts granted for the year**	**Amounts paid during the year**	**Amounts granted for the year**	**Amounts paid during the year**
Deputy Chief Executive Officer	**Annual basis**	**Annual basis**	**Annual basis**	**Annual basis**
Fixed compensation *(gross before tax)*	€165,000	€165,000	€165,000	€135,000
Annual variable compensation	€106,000(1)	€64,000(2)	€64,000(2)	€107,318
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Compensation granted in respect of his office as Deputy Chief Executive Officer of Almia Management	N/A	€30,000	N/A	€30,000
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**€271,000**	**€229,000**	**€229,000**	**€272,318**

* *Fixed and variable compensation paid by Carmila.*
(1) *Payment subject to approval at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.*
(2) *Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020.*

The fixed and variable compensation paid by the Company to Sébastien Vanhoove in respect of his duties within the Company are rebilled by the Carrefour group to the Company, as described below.

Fixed compensation

One half of the fixed compensation due to Sébastien Vanhoove under his employment contract with Carrefour Management is paid by the Company in respect of his duties within the Company, and the other half is paid by the Carrefour group in respect of his duties within Carrefour Property France.

In respect of 2021, the portion of Sébastien Vanhoove's fixed compensation paid by the Company amounts to €165,000 (50%).

Annual variable compensation

The variable compensation received by Sébastien Vanhoove in respect of his duties within the Company is determined based on performance criteria relating only to the Carmila Group.

In respect of 2021, the variable portion of Sébastien Vanhoove's compensation amounts to 40% of his gross fixed compensation paid by the Company if the performance criteria are achieved at 100%, and up to 80% of his gross fixed compensation paid by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the percentage of performance criteria achieved.

In respect of 2021, the performance criteria used to determine the variable compensation paid by the Company are as follows:

(i) general quantifiable criteria for 50% of the variable compensation (gross asset value of the portfolio [including transfer taxes], 2021 EPRA Cost Ratio [excluding direct vacancy costs and Covid-19 impact], growth in 2021 recurring earnings per share excluding the impact of a potential stock dividend, and percentage of centres with BREEAM certification or equivalent at the end of 2021, as a percentage of GAV);

(ii) individual quantifiable criteria for 20% of the variable compensation (change in the vacancy rate, revenues generated by certain Specialty Leasing and Pop-up Store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate [2021 year-on-year]) and customer Net Promoter Score; and

(iii) qualitative criteria for 30% of the variable compensation (governance and compliance, financial communications, the Carmila Retail Development business and new business lines/innovations, quality of customer and partner relations, and financial policy).

The variable compensation paid by Carrefour Management to Sébastien Vanhoove in respect of his operational duties within Carrefour is set according to performance criteria established by the Carrefour group.

At its meeting of 16 February 2022, on the recommendation of the Nomination and Compensation Committee, the Board of Directors noted that the achievement rates for the performance criteria underlying Sébastien Vanhoove's variable compensation were as follows:

- 167% for the general quantifiable criteria;
- 171% for the individual quantifiable criteria; and
- 142% for the individual criteria;
- i.e., an overall achievement rate of 161%.

The annual variable compensation due to Sébastien Vanhoove in respect of 2021 amounts to €106,000.

Long-term incentive plan

At its meeting of 18 May 2021, acting under the authorisation given by the Annual General Meeting on the same day and on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to allocate, subject to service and performance conditions, 11,615 free shares (equivalent of nine months' salary) to Sébastien Vanhoove. Details of the performance criteria and terms of the share allocations made to Sébastien Vanhoove are provided in section 5.2.2.3 "Free shares allocated to the corporate officers in 2021" of this Universal Registration Document.

The following table shows the value of the free shares allocated to Sébastien Vanhoove:

	2021
Value of options allocated during the year	N/A
Value of Carmila shares allocated without consideration during the year (2021 free share plan [FSP] of 18 May 2021)	€131,249.50[(1)]
TOTAL	**€131,249.50[(1)]**

(1) Maximum amount calculated on the assumption that performance conditions are fully achieved, and based on a share price of €11.30 corresponding to the average closing price of the last 40 trading days in 2020.

On 25 October 2021, after having noted the achievement rate of the performance criteria for the free share plan of 24 October 2018, the Board of Directors also decided to convert the 7,537 B Shares allocated to Sébastien Vanhoove into 2,675 A Shares, which were sold on 21 December 2021 by Sébastien Vanhoove at a price of €13.62 per share.

Benefits in kind

Sébastien Vanhoove did not receive any benefits in kind.

Exceptional compensation

He did not receive any exceptional compensation during the year.

Other components of compensation

Sébastien Vanhoove is not eligible for any severance pay (resignation, dismissal, forced resignation or retirement) upon the termination of his corporate office within the Company, or any indemnities in respect of a non-compete clause or a supplementary pension plan.

Shareholding obligation

In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, Deputy Chief Executive Officers must hold 5,000 Company shares for the duration of their term of office.

At its meeting of 13 February 2019, the Board of Directors agreed to authorise Sébastien Vanhoove to acquire a minimum of 1,000 Carmila shares and, in accordance with Article 22 of the AFEP-MEDEF Code, to allocate 100% of any free shares allocated to him to reaching the threshold of 5,000 shares.

At the date of this Universal Registration Document, Sébastien Vanhoove held 2,131 A Shares, 6,962 class C preference shares and 6,114 class D preference shares of the Company.

BREAKDOWN OF THE INDEMNITIES AND/OR BENEFITS OF THE EXECUTIVE CORPORATE OFFICERS IN RESPECT OF 2021 (TABLE 11 OF THE AFEP-MEDEF CODE)

	Employment contract with the Company		Supplementary pension plan		Indemnities or benefits due or likely to be due in the event of termination or change of position		Indemnities under a non-compete clause	
Executive corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Marie Cheval Chair and Chief Executive Officer since 2 November 2020 Date of first appointment: 2 November 2020 Term expires: Annual General Meeting called to approve the 2023 financial statements		√		√		√	√	
Sébastien Vanhoove Deputy Chief Executive Officer Date of first appointment: 27 July 2018 Term expires: Annual General Meeting called to approve the 2023 financial statements		√[1]		√		√		√

(1) Sébastien Vanhoove holds an employment contract with the Carrrefour group.

5.2.2.3 Free shares allocated to the executive corporate officers in 2021

Following a decision taken by the Board of Directors on 18 May 2021, in 2021 the Company set up a new plan for its senior executives and employees (the "**2021 Plan**"), in the form of free shares subject to service and performance conditions. The plan comprised a total of 238,938 free shares, of which 44,248 were allocated to Marie Cheval and 11,615 to Sébastien Vanhoove.

The plan is conditional upon (i) continued service within the Company at the end of a three-year vesting period (i.e., 18 May 2024), and (ii) the following performance conditions assessed over three years (2021-2023):

- Performance condition 1 (25% of the allocation): change in the total shareholder return (TSR) corresponding to the change in EPRA Net Tangible Assets (NTA) at 31 December 2023, after adding back distributions over the 2021-2023 period and the EPRA NTA at 31 December 2020, compared to a panel of comparable listed real estate companies.
- Performance condition 2 (25% of the allocation): average recurring earnings per share over the 2021-2023 period.
- Performance condition 3 (25% of the allocation): CSR criteria including objectives related to the Gender Equality Index, the Carbon Disclosure Project (CDP) and GRESB ratings at 31 December 2023.
- Performance condition 4 (25% of the allocation): Carmila's total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing (i) the average closing price over the last 40 trading days in 2023, to which will be added back any distributions between 1 January 2021 and 31 December 2023; and (ii) the average closing price of the last 40 trading days of 2020.

The maximum total number of free shares allocated under the plan may not represent more than 0.20% of the Company's share capital at the date of the Annual General Meeting of 18 May 2021, or more than 0.05% for the shares allocated to the corporate officers.

SUMMARY OF THE FREE PREFERENCE SHARES ALLOCATED UNDER THE 2021 FSP

Date of the Annual General Meeting	18 May 2021
Date of allocation by Carmila	18 May 2021
Number of beneficiaries	51
Number of Carmila shares originally allocated under the plan	238,938
• o/w Marie Cheval	44,248
• o/w Sébastien Vanhoove	11,615
• o/w other employees	183,075
Residual number of shares to be allocated at 31 December 2021	230,638
Vesting date of free shares	18 May 2024
Availability date	19 May 2024

5.2.2.4 Pay ratios (Article L. 22-10-9 of the French Commercial Code)

In accordance with the provisions of Article L. 22-10-9 of the French Commercial Code, this report presents disclosures on the ratios between the level of compensation of the Chair and Chief Executive Officer and the Deputy Chief Executive Officer, and the average compensation of employees on a full-time equivalent basis.

Since Carmila SA has no employees, it could not be used for the purposes of calculating pay ratios. Consequently, the relevant scope included Almia Management, which groups together the entire French workforce, in line with the provisions of recommendation 26.2 of the AFEP-MEDEF Code.

As the Company was formed from the merger of Carmila SAS and Cardety on 12 June 2017, the pay ratios cover a three-year period: 2019, 2020 and 2021.

The selected scope only includes full-time employees with French permanent employment contracts, who were present for the full 12 months of each year analysed.

The ratios were calculated on the basis of the gross compensation paid in respect of the year in question and include the fixed compensation and variable compensation paid during the year, any profit-sharing and incentives paid during the year, and any free shares and performance shares allocated during the year (at nominal value), plus the associated social charges.

With regard to senior executives, as there was a change of Deputy Chief Executive Officer in 2020, and changes of Chair and Chief Executive Officer in 2019 and 2020, the pay ratios are presented by position rather than in nominative form.

The calculation of the pay ratios is subject to any adjustments recommended in the AFEP-MEDEF Code and takes into account any applicable legislative or regulatory changes.

	2021(1)	2020(2)	2019(2)
Chair and Chief Executive Officer(3)			
Ratio – Average compensation	10.40	5.31	4.21
Ratio – Median compensation	12.47	6.17	5.16
Deputy Chief Executive Officer(4)			
Compensation granted for the financial year			
Ratio – Average compensation	3.55	3.31	3.50
Ratio – Median compensation	4.26	3.85	4.30

(1) The ratios are calculated based on the compensation paid in respect of 2021.
(2) The ratios are calculated based on the compensation granted in respect of 2019 and 2020.
(3) The position of Chair and Chief Executive Officer was held by Jacques Ehrmann until 30 June 2019, then by Alexandre de Palmas from 1 July 2019 to 2 November 2020, and lastly by Marie Cheval from 2 November 2020.
(4) The position of Deputy Chief Executive Officer has been held by Sébastien Vanhoove since 27 July 2018.

The significant increase in 2021 in the ratio for the Chairman and Chief Executive Officer is mainly linked to the change of corporate officer and the appointment of Marie Cheval, whose compensation for her duties as Chair and Chief Executive Officer is paid in full by the Company, which was not the case with her predecessors.

The ratio for the Deputy Chief Executive Officer was relatively stable from 2019 to 2021.

5.2.2.5 Components of compensation and benefits in kind paid or granted in respect of 2021 to the members of the Board of Directors

The 2021 compensation policy for the members of the Board of Directors was approved at the Annual General Meeting of 18 May 2021. The maximum total annual compensation that can be allocated to the members of the Board of Directors has been set at €445,000.

Directors' compensation includes a fixed portion, calculated on a pro rata basis for terms of office having ended or begun during the year, and a variable portion granted by the Board of Directors based on actual attendance at Board and Committee meetings. In accordance with the AFEP-MEDEF Code, the variable portion of Board members' compensation is preponderant.

The terms for allocating compensation among the members of the Board of Directors are as follows:

- for the Board of Directors:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Board meetings and time spent on Board work,
  - compensation of €30,000 for the Lead Independent Director;
- for the Committees:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Committee meetings and time spent on Committee work;
- for the Non-Voting Directors:
  - an annual fixed amount of €5,000,
  - an annual variable amount of €10,000 based on effective attendance at Board meetings.

Committee Chairs also receive additional compensation of €10,000.

The table below summarises all the compensation granted and paid to the Board members in respect of 2020 and 2021, including members whose term of office ended during the year:

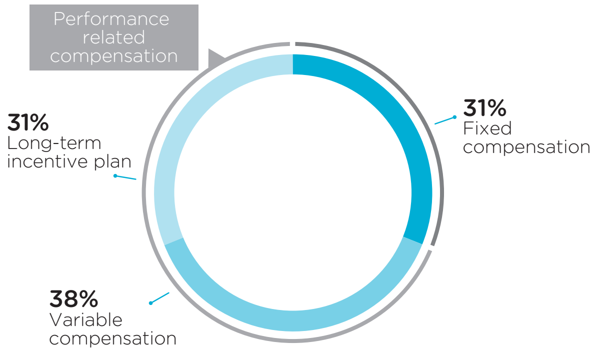
(gross amounts in euros)	2021 Amount granted[1]	2021 Amount paid[2]	2020 Amount granted[1]	2020 Amount paid[2]
Marie Cheval	45,000.00	9,375.00[3]	9,375.00[3]	Waived[3]
Alexandre de Palmas	Waived[4]	35,625.00[5]	35,625.00[5]	10,625.00[5]
Sogecap represented by Yann Briand	30,000.00	28,333.33	28,333.33	28,333.33
Predica represented by Emmanuel Chabas	30,000.00	Waived	30,000.00	Waived
Axa Reim France represented by Amal Del Monaco	7,619.05	Waived	28,750.00	Waived
Séverine Farjon	65,000.00	40,000.00	55,000.00	40,000.00
Maria Garrido	45,000.00	28,750.00	43,333.33	28,750.00
Olivier Lecomte	85,000.00	65,000.00	65,000.00	65,000.00
Laurent Luccioni	20,000.00	Waived	13,750.00	Waived
Nadra Moussalem	30,000.00	28,750.00	30,000.00	28,750.00
Jérôme Nanty	Waived	Waived	Waived	Waived
Claire Noël du Payrat	Waived	Waived	Waived	Waived
Élodie Perthuisot	Waived	N/A	N/A	N/A
Cardif Assurance Vie represented by Nathalie Robin	55,000.00	30,000.00	45,000.00	30,000.00
Laurent Vallée	Waived	Waived	Waived	Waived
Laurent Fléchet	4,285.71	13,750.00	10,000.00	13,750.00
Pedro Antonio Arias	2,857.14	11,250.00	11,250.00	11,250.00

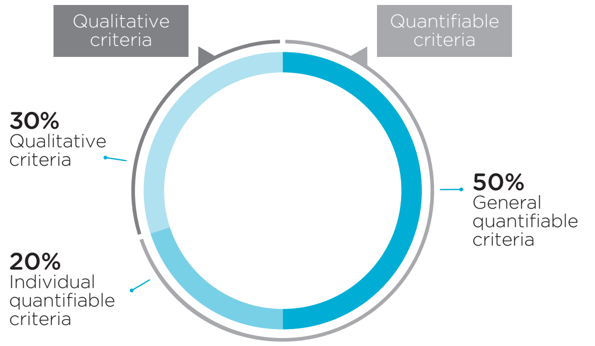
(1) Amounts due based on effective attendance during the year.
(2) Amounts paid during the year.
(3) Amounts calculated since the appointment of Marie Cheval and paid in respect of her duties as Chair of the Board of Directors (excludes the compensation paid in her capacity as Chief Executive Officer described in section 5.2.1.1.).
(4) Alexandre de Palmas, Director representing Carrefour following the appointment of Marie Cheval as Chair and Chief Executive Officer, waived his compensation due for 2021.

5.2.3 2022 compensation policies for the executive corporate officers

5.2.3.1 2022 compensation policy for Marie Cheval, Chair and Chief Executive Officer

STRUCTURE OF MARIE CHEVAL'S 2022 COMPENSATION





Annual fixed and variable compensation

Annual compensation comprises a fixed portion and a variable portion and reflects the responsibilities, experience and skills of the Chair and Chief Executive Officer, as well as market practices.

Annual fixed compensation

Annual fixed compensation is reviewed at relatively long intervals, although it may be re-examined by the Board of Directors in certain cases, particularly when the Chair and Chief Executive Officer's term is up for renewal. Pursuant to these principles, in respect of 2022 Marie Cheval's fixed compensation borne by Carmila amounts to €500,000.

Annual variable compensation

Annual variable compensation may not exceed a maximum amount expressed as a percentage of reference annual fixed compensation (referred to above).

Annual variable compensation may not exceed 120% of the Chair and Chief Executive Officer's annual fixed compensation.

Annual variable compensation is subject to the fulfilment of performance conditions based on achieving general, financial and non-financial quantifiable objectives, as well as individual quantifiable and qualitative objectives.

The target achievement rate for the objectives used to determine the executive corporate officers' annual variable compensation is established precisely by the Board of Directors, on the recommendation of the Nomination and Compensation Committee.

These criteria can be used to assess both the Chair and Chief Executive Officer's individual performance and the Company's performance. In this way, the variable compensation is linked to the Company's overall results, ensuring alignment with the Group's corporate interests and the development of its strategy. In accordance with Article L. 22-10-34 III, paragraph 2 of the French Commercial Code, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting.

Calculation methods

At its meeting of 16 February 2022, the Board of Directors decided that the variable portion of Marie Cheval's compensation would be equal to 100% of her gross fixed compensation if the performance criteria are achieved at 100%, and up to 120% of her gross fixed compensation borne by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2022, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

(i) general quantifiable criteria for 50% of the variable compensation (gross asset value of the portfolio [including transfer taxes], 2022 EPRA Cost Ratio [excluding direct vacancy costs and Covid-19 impact], growth in 2022 recurring earnings per share excluding the impact of a potential stock dividend, a CSR criterion on the percentage of centres with BREEAM certification, and the percentage of greenhouse gas emission reduction compared to 2021);

(ii) individual quantifiable criteria for 20% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate (2021 year-on-year) and customer Net Promoter Score, contribution to Carmila EBITDA of the Carmila Retail Development business, the number of leases signed and the number of mobile towers completed by Next Tower; and

(iii) qualitative criteria for 30% of the variable compensation (governance and compliance, financial communications, the Carmila Retail Development business and new business lines/innovations, implementation of the strategic plan and financial policy).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022.

Long-term incentive plan

The Chair and Chief Executive Officer may be allocated free shares, as decided by the Board of Directors on the recommendation of the Nomination and Compensation Committee, up to the limit of the authorisations granted by the Annual General Meeting and subject to the following terms and conditions:

- the long-term incentive plan may not exceed 12 months' maximum gross fixed compensation for the Chair and Chief Executive Officer;

- in order to benefit from the plan, the beneficiary must fulfil predominantly quantifiable performance conditions, as set by the Board of Directors on the recommendation of the Nomination and Compensation Committee, over a multi-year period;
- in order to benefit from the plan, the beneficiary must still be in office at the end of the financial years considered.

In the event that shares are allocated without consideration, the Board of Directors will set the number of shares that the Chair and Chief Executive Officer is required to hold until the termination of her term of office, in accordance with the provisions of the French Commercial Code.

The Chair and Chief Executive Officer is not permitted to hedge any free shares held, throughout the entire term of the holding period set by the Board of Directors.

Marie Cheval is required to hold 50% of the total number of free shares allocated to her, capped at the equivalent of 1.5 times her gross annual fixed compensation, as described in the section below "Shareholding policy for the Chair and Chief Executive Officer".

Allocating variable compensation in the form of shares gives the Chair and Chief Executive Officer a stake in the Company's earnings and share price performance.

At its meeting of 24 March 2022, the Board of Directors decided to seek an authorisation from the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021 to allocate free existing or new shares to all or some of the employees and corporate officers of the Group.

Benefits in kind

At the Board of Directors' discretion and on the recommendation of the Nomination and Compensation Committee, the Chair and Chief Executive Officer may receive benefits in kind. Any decision to grant benefits in kind is determined in view of the nature of the office held.

Marie Cheval has use of a company car. Other benefits in kind may be granted in specific situations.

Exceptional compensation

The Chair and Chief Executive Officer may not receive exceptional compensation, except under specific circumstances related to transactions that have a major impact on the Company.

In the event of a cash payment, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting, in accordance with Article L. 22-10-34 III, paragraph 2 of the French Commercial Code.

Directors' compensation

The Chair and Chief Executive Officer receives compensation in her capacity as Director, Chair of the Board of Directors and Committee member.

The compensation granted in respect of her directorship is paid in accordance with the compensation policy for Directors as described in section 5.2.3.3 "Compensation policy applicable to members of the Board of Directors for 2022" of this Universal Registration Document. It comprises a fixed portion and a variable portion based on her attendance at meetings of the Board of Directors and its Committees.

Pension plan

The Chair and Chief Executive Officer does not benefit from any supplementary pension scheme. She is affiliated to the mandatory supplementary pension plan (ARRCO and AGIRC) and the welfare plan in force within the Company for all employees. She is also eligible for the executive unemployment insurance plan (GCS).

Termination benefit – Severance pay

The Chair and Chief Executive Officer is not eligible for any severance pay or other termination benefit upon the termination of her corporate office within the Company.

Non-compete benefit

On the recommendation of the Nomination and Compensation Committee, the Board of Directors may also decide to obtain a non-compete commitment from the Chair and Chief Executive Officer.

The Board of Directors decided, that in consideration for a one-year non-compete commitment designed to safeguard the Company's interests, Marie Cheval would be entitled to a fixed monthly payment, for a period of one year, equal to 50% of her monthly gross fixed compensation (excluding variable compensation) in the month preceding the end of her term of office. The Company may waive the application of the non-compete commitment in the 15 days following the end of her term of office.

Other components of compensation

At its meeting of 26 November 2020, the Board of Directors decided that Marie Cheval would not be entitled to severance pay but that she would be covered by the GSC executive unemployment insurance plan. Given the time lag for her coverage under the plan to take effect she may, if removed from office (other than for gross negligence or wilful misconduct) within 12 months of her enrolment in the plan, receive a severance payment equal to six months' gross annual fixed compensation.

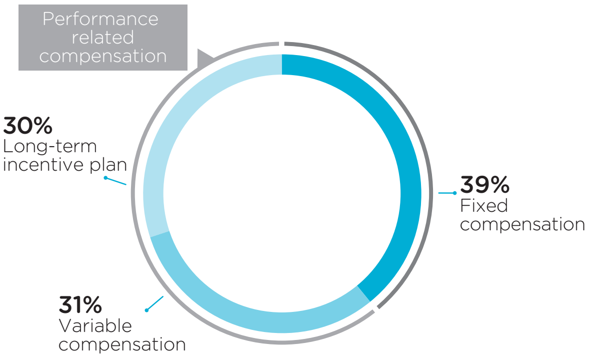
Shareholding policy for the Chair and Chief Executive Officer

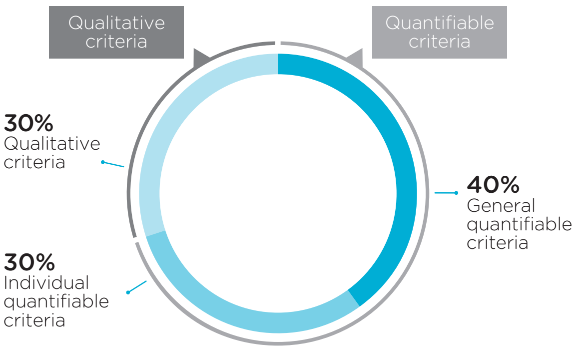
The corporate officers are required to hold a certain number of their free shares. At its meeting of 12 June 2017, the Board of Directors renewed the terms and conditions set in 2016 and set the holding obligation for the Chair and Chief Executive Officer at 50% of the total number of free shares allocated, capped at the equivalent of 1.5 times gross annual fixed compensation.

In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, the Chair and Chief Executive Officer must hold 10,000 Company shares for the duration of the corporate office.

5.2.3.2 2022 compensation policy for Sébastien Vanhoove, Deputy Chief Executive Officer

STRUCTURE OF SÉBASTIEN VANHOOVE'S 2022 COMPENSATION





Annual fixed and variable compensation

Annual compensation comprises a fixed portion and a variable portion and reflects the responsibilities, experience and skills of the Deputy Chief Executive Officer, as well as market practices.

Annual fixed compensation

Sébastien Vanhoove was appointed Deputy Chief Executive Officer of the Company at the Board of Directors' meeting held on 27 July 2018. His appointment as Deputy Chief Executive Officer was confirmed at the Board meeting of 26 November 2020, which appointed Marie Cheval as Chair and Chief Executive Officer.

Sébastien Vanhoove is Chairman of Carrefour Property France, in which capacity he is responsible for Carrefour Property France and its subsidiaries. He holds an employment contract with Carrefour Management, which covers his duties. A secondment agreement is in place between the Carrefour group and the Company, under which Sébastien Vanhoove is seconded to the Company for half of his working hours, with his fixed and variable compensation rebilled to the Company as from 1 August 2018. The secondment agreement was approved by the Annual General Meeting of 16 May 2019 under the related-party agreements procedure.

The fixed and variable compensation paid by the Company to Sébastien Vanhoove in respect of his duties within the Company are rebilled by the Carrefour group to the Company, as described below.

Pursuant to these principles, in respect of 2022 the portion of Sébastien Vanhoove's fixed compensation paid by the Company amounts to €165,000.

Annual variable compensation

Annual variable compensation may not exceed a maximum amount expressed as a percentage of reference annual fixed compensation (referred to above).

Annual variable compensation may not exceed 80% of the Deputy Chief Executive Officer's annual fixed compensation.

Annual variable compensation is subject to the fulfilment of performance conditions based on achieving general, financial and non-financial quantifiable objectives, as well as individual quantifiable and qualitative objectives.

The target achievement rate for the objectives used to determine the Deputy Chief Executive Officer's annual variable compensation is established precisely by the Board of Directors, on the recommendation of the Nomination and Compensation Committee.

These criteria can be used to assess both the Deputy Chief Executive Officer's individual performance and the Company's performance. In this way, the variable compensation is linked to the Company's overall results, ensuring alignment with the Group's corporate interests and the development of its strategy. In accordance with Article L. 22 III, paragraph 2 of the French Commercial Code, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting.

Calculation methods

At its meeting of 16 February 2022, the Board of Directors decided that the variable portion of the compensation of the Deputy Chief Executive Officer, Sébastien Vanhoove, would be equal to 40% of his gross fixed compensation if the performance criteria are achieved at 100%, and up to 80% of his gross fixed compensation if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2022, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

(i) general quantifiable criteria for 40% of the variable compensation (gross asset value of portfolio [including transfer taxes], 2022 EPRA Cost Ratio [excluding vacancy costs and Covid-19 impact], growth in 2022 recurring earnings per share, excluding the impact of a potential stock dividend, a CSR criterion on the percentage of centres with BREEAM certification, and the percentage of greenhouse gas emission reduction compared to 2021);

(ii) individual quantifiable criteria for 30% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate (2021 year-on-year) and customer Net Promoter Score, contribution to Carmila EBITDA of the Carmila Retail Development business, the number of leases signed and the number of mobile towers completed by Next Tower; and

(iii) qualitative criteria for 30% of the variable compensation (leasing and retailer relations, "warning" site action plan, quality of relations with Carrefour, project milestones, and management of Carmila's teams).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022.

The variable compensation paid by Carrefour Management to Sébastien Vanhoove in respect of his operational duties within Carrefour will be set according to performance criteria established by the Carrefour group.

Long-term incentive plan

The Deputy Chief Executive Officer may be allocated free shares, as decided by the Board of Directors on the recommendation of the Nomination and Compensation Committee, up to the limit of the authorisations granted by the Annual General Meeting and subject to the following terms and conditions:

- the long-term incentive plan may not exceed nine months' maximum gross fixed compensation;
- in order to benefit from the plan, the beneficiary must fulfil predominantly quantifiable performance conditions, as set by the Board of Directors on the recommendation of the Nomination and Compensation Committee, over a multi-year period;
- in order to benefit from the plan, the beneficiary must still be in office at the end of the financial years considered.

The Deputy Chief Executive Officer is not permitted to hedge any free shares held, throughout the entire term of the holding period set by the Board of Directors.

Sébastien Vanhoove is required to hold 50% of the total number of free shares allocated to him, capped at the equivalent of one year's gross annual fixed compensation, as described in the section below "Shareholding policy for the Deputy Chief Executive Officer". Allocating variable compensation in the form of shares gives the Deputy Chief Executive Officer a stake in the Company's earnings and share price performance.

At its meeting of 24 March 2022, the Board of Directors decided to seek an authorisation from the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021 to allocate free existing or new shares to all or some of the employees and corporate officers of the Group.

Benefits in kind

At the Board of Directors' discretion and on the recommendation of the Nomination and Compensation Committee, Sébastien Vanhoove, Deputy Chief Executive Officer, may receive benefits in kind. Any decision to grant benefits in kind is determined in view of the nature of the office held.

Exceptional compensation

The Deputy Chief Executive Officer may not receive extraordinary compensation, except under specific circumstances related to transactions that have a major impact on the Company.

In the event of a cash payment, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting, in accordance with Article L. 225-100 III, paragraph 2 of the French Commercial Code.

Directors' compensation

The Deputy Chief Executive Officer may receive compensation in respect of directorships or other offices held in Group companies.

Sébastien Vanhoove does not receive any compensation in respect of directorships or other offices held within the Group.

Pension plan

Sébastien Vanhoove does not benefit from a supplementary pension plan in respect of his corporate office within the Company.

Termination benefit – Severance pay

The Deputy Chief Executive Officer is not eligible for any severance pay upon the termination of his corporate office within the Company.

Non-compete benefit

On the recommendation of the Nomination and Compensation Committee, the Board of Directors may also decide to obtain a non-compete commitment from the Deputy Chief Executive Officer.

Sébastien Vanhoove is not eligible for any non-compete benefit upon the termination of his corporate office within the Company.

Shareholding policy for the Deputy Chief Executive Officer

The corporate officers are required to hold a certain number of their free shares. At its meeting of 12 June 2017, the Board of Directors renewed the terms and conditions set in 2016 and set the holding obligation for the Deputy Chief Executive Officer at 50% of the total number of free share allocated, capped at the equivalent of one year's gross fixed compensation. Furthermore, in accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, Deputy Chief Executive Officers must hold 5,000 Company shares for the duration of their term of office.

5.2.3.3 Compensation policy applicable to members of the Board of Directors for 2022

In accordance with the Board of Directors' Rules of Procedure, the compensation paid to each Director or to each Committee member, up to the limit approved by the Company's Annual General Meeting, is determined by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, and includes (i) a fixed portion, calculated on a proportionate basis for terms of office having ended or begun during the year and (ii) a variable portion granted by the Board of Directors based on actual attendance at Board and Committee meetings.

In accordance with the recommendations of the AFEP-MEDEF Code, Directors' compensation consists primarily of a variable portion.

The amount of their compensation reflects the level of responsibility of the Directors and the time that their work requires and was set in reference to comparable companies.

The terms for allocating compensation among the members of the Board of Directors are as follows:

- for the Board of Directors:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Board meetings and time spent on Board work,
  - compensation of €30,000 for the Lead Independent Director;
- for the Committees:
  - fixed compensation of €5,000 per Director,

- variable compensation of €10,000 based on effective attendance at Committee meetings and time spent on Committee work.

Committee Chairs also receive additional compensation of €10,000.

The Annual General Meeting called to approve the financial statements for the year ended 31 December 2021, will be asked to approve a maximum overall amount of €445,000 (unchanged).

Each year, at the Board of Directors' meeting at which decisions on the allocation methods are made, Directors may waive any compensation payable in respect of their Board membership.

5.3 Related-party agreements and commitments governed by Articles L. 225-38 *et seq.* and L. 225-42-1 of the French Commercial Code

We hereby notify you that an agreement governed by Articles L. 225-38 *et seq.* and L. 225-42-1 of the French Commercial Code has been authorised by the Board of Directors as stated in the Statutory Auditors' special report in accordance with Article L. 225-40 of the aforementioned Code, which must include all agreements and commitments authorised and entered into during the financial year as well as any previous such agreements and commitments that remained in force in the financial year.

At its meeting of 16 February 2021, the Board of Directors authorised the signing of a new Service Agreement between Carmila SA and Carrefour SA, under which Carrefour provides Carmila SAS with skills and resources to assist Carmila in legal, tax and accounting consolidation matters. The new agreement will be submitted for approval at the Annual General Meeting of Carmila SA called to approve the financial statements for the year ended 31 December 2021.

Moreover, at its meeting on 16 February 2022, the Board of Directors discussed the agreements and commitments entered into and authorised during previous financial years which remained in force in 2021.

Authorisation procedure for routine arm's length and related-party agreements

At its meeting of 2 April 2020, the Board of Directors adopted an internal procedure for identifying and obtaining authorisation for related-party agreements, and for distinguishing them from routine agreements entered into on an arm's length basis.

In addition to the regulatory framework governing the various potential types of agreements, the procedure also requires the Company to regularly review the terms of all routine agreements entered into within the Group. The parties directly or indirectly involved in such an agreement may not take part in the review.

5.4 Statutory Auditors' report on the Corporate Governance Report

See the report in section 6.5 of this Universal Registration Document.

6. Financial statements

6.1 Consolidated financial statements for the year ended 31 December 2021

6.1.1 Consolidated statement of comprehensive income

(in thousands of euros)	Note	2021	2020
Gross rental income		**351,790**	**349,744**
Charges rebilled to tenants		77,691	79,621
Total Income from rental activity		**429,481**	**429,365**
Real estate expenses		(23,916)	(23,510)
Rental charges		(71,069)	(71,177)
Property expenses (landlord)		(44,582)	(63,841)
Net rental income	**8.1**	**289,914**	**270,837**
Overhead expenses	8.2	(51,767)	(50,949)
Income from property management, administration and other activities		*11,505*	*10,267*
Other income		*3,322*	*255*
Payroll expenses		*(28,629)*	*(25,939)*
Other external expenses		*(37,965)*	*(35,532)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	8.3	(1,245)	(2,849)
Other operating income and expenses		(1,125)	(2,379)
Gains and losses on disposals of investment properties and equity investments	8.4	38	(65)
Change in fair value adjustments	5.2	(4,674)	(334,267)
Share in net income (loss) of equity-accounted companies	7.3	3,068	(3,189)
Operating income (loss)		**234,209**	**(122,861)**
Financial income		1,039	917
Financial expenses		(62,985)	(57,634)
Cost of net debt		**(61,946)**	**(56,717)**
Other financial income and expenses		(11,761)	(18,903)
Net financial expense	**6.1**	**(73,707)**	**(75,620)**
Income (loss) before taxes		**160,502**	**(198,481)**
Income tax	9.1	31,834	196
CONSOLIDATED NET INCOME (LOSS)		**192,336**	**(198,286)**
Attributable to owners of the parent		**192,121**	**(198,755)**
Non-controlling interests		**215**	**469**
Average number of shares comprising Carmila's share capital	8.8.4	144,250,286	140,198,573
Earnings per share (attributable to owners) (in euros)		1.33	(1.42)
Diluted average number of shares comprising Carmila's share capital	8.8.4	144,518,878	140,603,774
Diluted earnings per share (attributable to owners) (in euros)		1.33	(1.41)

Consolidated statement of comprehensive income *(in thousands of euros)*	Note	2021	2020
Consolidated net income (loss)		**192,336**	**(198,286)**
Items that will be reclassified subsequently to net income		**20,346**	**(6,016)**
Effective portion of cash flow hedges		20,346	(5,944)
Fair value of other financial assets		-	(72)
Related income tax		-	-
Items that will not be reclassified subsequently to net income		**77**	**30**
Actuarial gains and losses on defined benefit plans		77	30
Related income tax		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		**212,759**	**(204,272)**

6.1.2 Consolidated statement of financial position

Assets

(in thousands of euros)	Note	31 Dec. 2021	31 Dec. 2020
Intangible assets	7.1	4,664	4,581
Property, plant and equipment	7.2	3,369	3,205
Investment properties carried at fair value	5.1	5,846,327	5,717,046
Investment properties carried at cost	5.1	33,213	100,010
Investments in equity-accounted companies	7.3	50,309	48,061
Other non-current assets	7.4	19,539	12,623
Deferred tax assets	9.4	9,855	11,113
Non-current assets		**5,967,275**	**5,896,638**
Trade receivables	7.5	75,489	148,532
Other current assets	7.6	90,439	86,415
Cash and cash equivalents	7.7	238,268	320,263
Current assets		**404,196**	**555,210**
TOTAL ASSETS		**6,371,471**	**6,451,848**

Equity and liabilities

(in thousands of euros)	Note	31 Dec. 2021	31 Dec. 2020
Share capital		875,389	855,701
Additional paid-in capital		1,985,987	2,039,818
Treasury shares		(2,351)	(2,541)
Other comprehensive income		(28,469)	(48,892)
Consolidated retained earnings		352,177	617,412
Consolidated net income (loss)		192,121	(198,755)
Equity attributable to owners		**3,374,853**	**3,262,744**
Non-controlling interests		5,776	5,727
TOTAL EQUITY	**7.8**	**3,380,629**	**3,268,471**
Non-current provisions	7.9	6,867	6,732
Non-current financial liabilities	6.2	2,384,895	2,401,478
Lease deposits and guarantees		79,812	76,267
Non-current tax and deferred tax liabilities	9.3 & 9.4	139,445	177,316
Other non-current liabilities		2	14
Non-current liabilities		**2,611,021**	**2,661,807**
Current financial liabilities	6.2	228,071	245,250
Bank facilities	6.2 & 7.7	82	8,934
Current provisions		1,039	1,758
Trade payables	7.10	20,984	27,773
Payables to suppliers of non-current assets	7.10	22,067	86,231
Accrued tax and payroll liabilities	7.11	54,179	56,004
Other current liabilities	7.11	53,399	95,620
Current liabilities		**379,821**	**521,570**
TOTAL EQUITY AND LIABILITIES		**6,371,471**	**6,451,848**

6.1.3 Consolidated statement of cash flows

(in thousands of euros)	Note	2021	2020
Consolidated net income (loss)		**192,336**	**(198,286)**
Elimination of income from equity-accounted companies	7.3	(3,068)	3,189
Elimination of depreciation, amortisation and provisions		493	2,946
Elimination of fair value adjustments	5.1 & 6.2.1	9,722	337,468
Elimination of capital gains and losses on disposals		(33)	66
Other non-cash income and expenses		8,599	6,921
Cash flow from operations after cost of net debt and tax		**208,049**	**152,305**
Elimination of tax expense (income)	9.1	(31,834)	(196)
Elimination of cost of net debt		61,946	56,792
Cash flow from operations before cost of net debt and tax		**238,161**	**208,901**
Change in operating working capital		18,293	(34,582)
Change in lease deposits and guarantees		3,572	(1,530)
Income tax paid		(2,168)	(4,722)
Net cash from operating activities		**257,858**	**168,067**
Change in payables on non-current assets		(85,321)	4,977
Acquisitions of investment properties	5.1	(64,584)	(79,959)
Acquisitions of other non-current assets		(454)	(950)
Change in loans and advances		(4,129)	(183)
Disposal of investment properties and other non-current assets		8,216	307
Dividends received		818	1,212
Net cash used in investing activities		**(145,454)**	**(74,597)**
Corporate actions	7.8	(8,000)	-
Net sale (purchase) of treasury shares		190	135
Issuance of bonds		300,000	400,000
Increase in bank loans	6.2	-	568,000
Loan repayments	6.2	(324,833)	(798,005)
Change in marketable securities included in other current receivables		106	(103)
Interest paid		(59,596)	(53,991)
Interest received		1,039	917
Dividends and share premiums distributed to shareholders		(94,453)	(73,126)
Net cash from (used in) financing activities		**(185,547)**	**43,828**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(73,143)**	**137,298**
Cash and cash equivalents at start of period		311,329	174,031
Cash and cash equivalents at end of period	7.7	238,186	311,329

6.1.4 Consolidated statement of changes in shareholders' equity

(in thousands of euros)	**Note**	**Share capital**	**Additional paid-in capital**	**Treasury shares**	**Other compre-hensive income**	**Consolidated retained earnings**	**Consolidated net income (loss)**	**Equity attributable to owners**	**Non-controlling interests**	**Total equity**
BALANCE AT 31 DECEMBER 2019		**820,091**	**2,129,169**	**(2,676)**	**(42,906)**	**528,543**	**108,213**	**3,540,434**	**5,612**	**3,546,046**
Corporate actions		836	(836)					-		-
Share-based payments		34,774	28,862					63,636		63,636
Treasury share transactions				135		394		529		529
Dividend paid			(117,377)			(19,032)		(136,409)	(354)	(136,763)
Appropriation of 2019 net income						108,213	(108,213)	-		-
Net income (loss) for the year							**(198,755)**	**(198,755)**	**469**	**(198,286)**
Other comprehensive income reclassified to income					3,958			3,958		3,958
Change in fair value of other financial assets					(72)			(72)		(72)
Change in fair value of hedging instruments					(9,902)			(9,902)		(9,902)
Actuarial gains and losses on retirement benefits					30			30		30
Other comprehensive income					**(5,986)**			**(5,986)**	**-**	**(5,986)**
Other changes						(706)		(706)		(706)
BALANCE AT 31 DECEMBER 2020		**855,701**	**2,039,818**	**(2,541)**	**(48,892)**	**617,412**	**(198,755)**	**3,262,744**	**5,728**	**3,268,471**
Corporate actions	7.8	(3,272)	(4,728)					(8,000)		(8,000)
Share-based payments	12.3.2	22,960	25,065					48,025		48,025
Treasury share transactions	7.8.3			190		1,254		1,444		1,444
Dividend paid	1.3		(74,169)			(68,077)		(142,246)	(232)	(142,478)
Appropriation of 2020 net income						(198,755)	198,755			
Net income (loss) for the year							**192,121**	**192,121**	**215**	**192,336**
Other comprehensive income reclassified to income	6.4				3,996			3,996		3,996
Change in fair value of other financial assets								-		-
Change in fair value of hedging instruments	6.4				16,350			16,350		16,350
Actuarial gains and losses on retirement benefits	12.3.1				77			77		77
Other comprehensive income					**20,423**			**20,423**		**20,423**
Other changes						343		343	65	408
BALANCE AT 31 DECEMBER 2021		**875,389**	**1,985,986**	**(2,351)**	**(28,469)**	**352,177**	**192,121**	**3,374,854**	**5,776**	**3,380,629**

The "Corporate actions" line for 2021 reflects (i) the cancellation of 604,297 treasury shares under the share buyback programme launched on 6 September 2021, and (ii) the conversion of 112,611 B Shares into 31,850 A Shares as well as the creation of 144,647 D Shares, in connection with the free preference share plan for key employees and corporate officers of the Group.

Share-based payments reflect the creation of 3,826,562 A Shares in connection with the payment of the 2020 stock dividend (see Note 1.3).

6.1.5 Notes to consolidated financial statements

Note 1 SIGNIFICANT EVENTS OF 2021

GENERAL CONTEXT AND THE COVID-19 HEALTH CRISIS

Two distinct periods shaped 2021 for Carmila: the first half of the year saw the health crisis continue, due mainly to restrictions imposed on stores in shopping centres across France and in certain regions of Spain and Italy, while in the second half of the year, the situation gradually returned to normal.

The impact of the health crisis on Carmila's business was less marked in 2021 than in 2020, with shopping centre stores closed for less time than in the previous year (2.2 months on average in 2021, compared with 3.0 months in 2020).

From June onwards, all stores in Carmila centres were able to welcome back their customers, subject to compliance with less stringent rules than at the beginning of the year. In the three countries where Carmila operates, a "health pass" or similar measure was introduced for some businesses, such as seated food service and cinemas. In France, several Carmila centres were subject to the health pass requirement for entry into shopping centres of more than 20,000 sq.m. in some French *départements* in August and September. Lastly, in some regions in Spain, and notably Catalonia, capacity limits were introduced for restaurants and shopping centres.

Leasing activity was robust during the year, with 1,144 leases signed (15.6% of Carmila's total portfolio) for rents in line with the portfolio's rental values.

In order to support its tenants amid the health crisis, negotiations were held on a case-by-case basis to determine the rent relief that could be granted depending on the related concessions (i.e., extension of the non-cancellable term of the lease and new openings) agreed by the tenants and on government measures. These impacts are explained in detail in Note 9.1 "Net rental income".

Net rental income was up 7.0% in 2021 to €289.9 million, mainly reflecting the reduced impact of Covid-19 in 2021 compared to 2020, along with the impact of extensions (Nice Lingostière). The rental base remained stable over the period (up 0.2%).

Out of the total rents invoiced in 2021, 85.4% have been collected, 11.6% have been waived or provisioned (and written off in the consolidated financial statements) and 3.0% were pending collection at 31 December 2021.

The value of the asset portfolio (including transfer taxes) stood at €6.21 billion at 31 December 2021. Appraisers paid particular attention to the impact of the crisis on the market value of assets. The material valuation uncertainty clauses introduced by appraisers at the start of the health crisis in 2020 were lifted for all assets during 2021. As there were no further retail closures in the second half of 2021, appraisers did not factor in any temporary Covid-19-related losses in their modelling. The rental base remained stable and capitalisation rates stabilised over the year, with the overall capitalisation rate standing at 6.18% at 31 December 2021. On a like-for-like basis, the value of the portfolio rose 0.7% on 31 December 2020.

At 31 December 2021, Carmila had €238 million in net cash and no major borrowing fell due before September 2023.

Irrespective of the Covid-19 pandemic, Carmila proved its ability to secure attractive rates on bond markets, issuing a €300 million bond in April 2021 with maturity in May 2027 and a 1.625% coupon. Carmila's financial structure is robust, with a loan-to-value ratio including transfer taxes of 37.4%.

Note 1.1 Investments

Investments during the year mainly concerned extensions and restructuring of existing French assets.

Note 1.1.1 Developments and extensions

In 2021, Carmila delivered two major extension and restructuring projects:

- Cité Europe (Calais-Coquelles) restructuring: since 29 January 2021, the centre has hosted a new Primark store as well as a fully refitted Cité Gourmande leisure and restaurant complex.
- On 19 May 2021, Carmila opened the fully-let Nice Lingostière extension. As part of the project devised together with local stakeholders, the centre is welcoming 50 new stores across 12,000 sq.m. of additional gross leasable area, including leading retail brands such as H&M, Kiabi, Cultura, Mango and new concepts like Le Repaire des Sorciers, La Barbe de Papa, Even and Bambino. Investments in the project amounted to €82 million.

Note 1.2 Disposals

The sale of the Nanteuil-lès-Meaux retail park was completed on 23 June 2021 for the appraised value of €8.2 million.

Note 1.3 Dividend

Acting on a proposal from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020. Shareholders were offered the option to receive the dividend payment in shares. In all, 33.8% of shareholders took up this offer.

The issue price for the related new ordinary shares was set at €12.55.

For the purpose of paying the stock dividend, Carmila created 3,826,562 new shares.

The shares were delivered and were admitted to trading on Euronext Paris as from 15 June 2021.

The total cash dividend paid to shareholders who did not opt for a stock dividend represented around €94 million and was paid on 15 July 2021.

Note 1.4 Debt and financing

As part of its EMTN programme, Carmila issued a new €300 million eight-year bond on 25 March 2021 paying a coupon of 1.625%.

On 9 April 2021, Carmila repaid €300 million of this loan ahead of term, bringing the amount outstanding to €170 million at end-2021 from €470 million at end-2020.

In October 2021, Carmila refinanced its €759 million revolving credit facility that was to fall due in 2024. This credit line was replaced by two new lines of €270 million and €540 million in the form of a revolving credit facility falling due in October 2024 and October 2026 (including two one-year extension options) and incorporating a sustainability-linked loan mechanism. No drawdowns were made by Carmila on the revolving credit facility in 2021.

These refinancing transactions were conducted, independently of the Covid-19 context, in order to extend the average maturity of the Group's debt.

Following these operations, the average maturity of Carmila's debt was 4.3 years at 31 December 2021.

Note 2 Significant accounting policies

On 16 February 2022, the Board of Directors approved and authorised the publication of Carmila's consolidated financial statements for the period from 1 January to 31 December 2021. These financial statements will be submitted for approval to the Annual General Meeting on 12 May 2022.

Note 2.1 Presentation of the Group

The corporate purpose of the Carmila Group ("the Group" or "the Carmila Group") is to enhance the value of shopping centres adjoining Carrefour hypermarkets located in France, Spain and Italy.

At 31 December 2021, the Group employed 229 people, with 149 in France, 65 in Spain and 15 in Italy (not including apprentices). The Group owns a portfolio of 214 shopping centres and retail parks, mainly as a result of transactions carried out in 2014. In April 2014, Carmila acquired 126 sites in France, Spain and Italy from the Klépierre group and later in the year six shopping centres in France from Unibail-Rodamco. The same year, the Group received a contribution from the Carrefour group comprising 47 sites in France, along with various premises and an equity investment in Spain.

Carmila SA ("the Company"), which is the Group's parent company, is a real estate investment trust (SIIC) under French law. Its registered office is located at 58, Avenue Émile Zola, 92100 Boulogne-Billancourt in France.

Initially, the company Carmila SAS was incorporated by Carrefour SA on 4 December 2013 for the sole purpose of the operations described above, which took place in 2014. On 12 June 2017, the Company merged with Cardety SA, a listed company in Paris, and was renamed Carmila SA following the merger. Since that date, the Group's consolidated financial statements reflect this reverse acquisition.

Note 2.2 Shareholding, stock market listing and strategic partnership

Carmila's share capital is held by several of its long-term partners. At 31 December 2021, its largest shareholder is the Carrefour group, which holds 35.5% of Carmila's share capital and includes Carmila in its financial statements using the equity method. Carrefour is developing a strategic partnership with Carmila, aimed at revitalising and transforming shopping centres adjoining its hypermarkets in France, Spain and Italy. The remaining 64.5% of the share capital is mainly owned by long-term investors from major insurance companies or blue-chip financial players, including Predica (9.6% of Carmila's share capital), Cardif Assurance Vie (8.9%) and Sogecap (5.6%).

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

Note 2.3 Accounting standards

IFRS standards applied

The Carmila Group's consolidated financial statements at 31 December 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union at 31 December 2021, comprising the IFRS, the International Accounting Standards (IAS), as well as their interpretations (SIC and IFRS-IC).

The European Union has adopted the following standards, interpretations and amendments, which are effective from 1 January 2021:

- Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9;
- Amendments to IFRS 9, IAS 39 and IFRS 7 relating to Interest Rate Benchmark Reform;
- Amendments and clarifications to the Conceptual Framework for Financial Reporting, and therefore to the references made to the framework in IFRS standards;
- Amendments to IAS 37 – Onerous Contracts;
- IFRIC decision of April 2021 on attributing benefit to periods of service (IAS 19);
- IFRIC decision of March 2021 on configuration or customisation costs in a cloud computing arrangement (IAS 38).

These amendments did not have a material impact on the consolidated financial statements at 31 December 2021.

- No standards were adopted by the Group ahead of their effective date.

Note 2.4 Principal estimates and judgements by management

Preparation of the consolidated financial statements involves the use of judgement, estimates and assumptions by Group management. These may affect the carrying amount of certain assets and liabilities, income and expenses, as well as information provided in the notes to the financial statements. Group management reviews its estimates and assumptions regularly in order to ensure their relevance in light of past experience and the current economic situation. Depending on changes in these assumptions, items appearing in future financial statements may be different from current estimates.

The main judgements and estimates used by management to prepare the financial statements relate to:

- **measurement of the fair value of investment property** (see Note 5 "Investment property"). The Group has its property assets appraised every six months by independent appraisers according to the methods described in Note 5. The appraisers use assumptions for future cash flows and rates which have a direct impact on property values;
- **measurement of financial instruments**. The Group measures the fair value of the financial instruments that it uses in accordance with standard models and market practices and with IFRS 13, as described in Note 6.4;
- **provisions for contingencies and charges and other provisions related to operations** (see Note 7.9 "Provisions");
- **the assumptions used to calculate and recognise deferred taxes** (see Note 9 "Income tax").

- **the impacts of the health crisis** are discussed in Note 1 "Significant events of 2021", Note 7.5 "Trade receivables", and Note 8.1 "Net rental income".
- **The costs of Carmila CSR commitments** are included in maintenance CAPEX which is reflected in the fair value of investment property.

Note 2.5 Other principles applied in presenting the consolidated financial statements

Note 2.5.1 Translation of foreign companies' financial statements

The Group's financial statements are presented in thousands of euros, unless otherwise specified. Rounding differences may give rise to minor differences between statements.

An entity's functional currency is the main currency in which it conducts its business. All entities within the Group's scope of consolidation are in the eurozone and use the euro as their functional currency.

Note 2.5.2 Translation of foreign currency transactions

When a Group entity carries out transactions in a currency other than its functional currency, they are initially translated at the rate prevailing on the date of the transaction. At the end of the reporting period, monetary financial assets and liabilities denominated in foreign currencies are translated into euros at the closing rate of the currency concerned, with any foreign exchange gains or losses taken to income.

Note 2.5.3 Transactions eliminated from the consolidated financial statements

Items recorded on the statement of financial position and income or expenses resulting from intra-Group transactions are eliminated when preparing the consolidated financial statements.

Note 2.5.4 Classification in the statement of financial position

Assets expected to be realised, consumed or sold over the normal operating cycle or in the 12 months following the end of the financial period are classified as "current assets", as are assets held for sale and cash and cash equivalents. All other assets are classified as "non-current assets".

Liabilities which the Group expects to settle over the normal operating cycle or in the 12 months following the end of the financial period are classified as "current liabilities".

The Group's normal operating cycle is 12 months.

Deferred taxes are always shown as non-current assets or liabilities.

Note 2.5.5 Classification in the statement of income

The Group has opted to present its proportionate share in the earnings of its equity-accounted companies within operating income, as the business of these companies is similar to that of the Group.

Note 3 Consolidation scope and methods

Note 3.1 Consolidation scope and methods

CONSOLIDATION METHODS

Determination of control

The consolidation method is determined in accordance with the control exercised, as defined by IFRS 10 – Consolidated Financial Statements.

Exclusive control: fully consolidated

Subsidiaries are companies controlled by the Group. An investor controls an entity when it exercises power over the entity's relevant activities, is exposed or entitled to variable returns from its involvement with the entity, and has the ability to use its power to affect the amount of its returns. The Group has power over an entity when its existing rights give it the current ability to direct the relevant activities, i.e., activities that significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date of effective transfer of control up until such time as that control ceases to exist.

Joint control and significant influence: equity method

Joint control means the contractually-agreed sharing of control over an entity, which exists only where decisions about the relevant activities require the unanimous consent of the parties sharing control. In accordance with IFRS 11 – *Joint Arrangements*, interests in partnerships can be classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e., joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations entail the recognition by each joint operator of the assets over which it has rights, liabilities for which it has obligations, and income and expenses related to its interest in the joint operation. Carmila has no joint operations.

Joint ventures are arrangements whereby the parties (i.e., joint venturers) only have rights over the joint venture's net assets. Joint ventures are accounted for by the equity method.

Significant influence is presumed to exist when the percentage of voting rights held is 20% or more. All equity interests, regardless of the percentage held, are analysed to determine whether the Company exerts a significant influence.

The Group's investments in associates and joint ventures are initially recognised at cost, plus or minus any changes in the percentage of the net assets of the associate after the acquisition. Goodwill related to an associate is included as part of the carrying amount of the investment.

For jointly controlled companies or companies over which the Group has significant influence, the share of income for the period is shown within "Share in net income of associates". On the statement of financial position, these equity investments are presented within "Investments in associates".

The financial statements of associates cover the same period as that of the Group, and are adjusted, where appropriate, to ensure compliance with the Group's accounting policies.

Information on equity investments in associates is presented pursuant to IFRS 12 – Disclosure of Interests in Other Entities.

Business combinations/acquisitions of assets

To determine whether a transaction is a business combination, the Group considers, in particular, whether a portfolio of activities is acquired in addition to the real estate assets. If securities are purchased in a company whose sole purpose is the holding of investment property, and in the absence of any other ancillary services (asset-related contracts, personnel, know-how), the acquisition is recognised as an acquisition of assets in accordance with paragraph 2(b) of IFRS 3 – Business Combinations.

Note 3.2 Description of the main partnerships

Note 3.2.1 AS Cancelas – Spain

The shares and voting rights in the Spanish company As Cancelas are held equally by Carmila and its partner, Grupo Realia. All resolutions are adopted by a 50.0% majority.

Property management, marketing and management of the centre are handled by the Group, with administration provided by Grupo Realia. Carmila considers this to be joint control, and the company is therefore consolidated under the equity method.

Note 4 Segment reporting

Note 4.1 Definition of operating segments and indicators used

The Group's Executive Committee has been identified as the "chief operating decision-maker" pursuant to IFRS 8 – *Operating Segments*. The operating segments that have been identified by the Executive Committee are the three countries in which the Group operates:

- France;
- Spain;
- Italy.

The Group uses the following indicators to measure its performance and activity:

- gross rental income;
- net rental income by operating segment;
- recurring and non-recurring operating income.

The Group defines recurring operating income as operating income before changes in the fair value of investment properties and adjusted for non-recurring income and expenses such as:

- gains and losses on disposals of investment properties;
- any other non-recurring income or expense.

Overhead expenses for each segment represent the expenses directly incurred by that operating segment. Shared overhead expenses that are borne by the France segment are rebilled to the other operating segments on a pro rata basis depending on the services rendered.

The Executive Committee also reviews changes in the fair value of investment properties by segment when this information is available (twice per year).

Over the two financial years presented, no individual tenant represented more than 5% of the Group's gross rental income.

Note 4.2 Operating income by operating segment

	France		Spain		Italy		Total	
(in thousands of euros)	2021	2020	2021	2020	2021	2020	2021	2020
Gross rental income	**241,992**	**239,011**	**86,931**	**88,724**	**22,867**	**22,009**	**351,790**	**349,744**
Real estate expenses	(5,470)	(3,137)	(1,326)	(955)	(873)	(891)	(7,669)	(4,983)
Non-recoverable service charges	(5,444)	(5,958)	(3,702)	(3,732)	(479)	(393)	(9,625)	(10,083)
Property expenses (landlord)	(34,776)	(44,576)	(8,132)	(13,037)	(1,674)	(6,228)	(44,582)	(63,841)
Net rental income	**196,302**	**185,340**	**73,771**	**71,000**	**19,841**	**14,497**	**289,914**	**270,837**
Overhead expenses	(37,050)	(37,466)	(11,740)	(10,553)	(2,977)	(2,930)	(51,767)	(50,949)
Income from property management, administration and other activities	*9,608*	*9,167*	*1,241*	*435*	*656*	*665*	*11,505*	*10,267*
Other income	*3,199*	*57*	*7*	*17*	*116*	*181*	*3,322*	*255*
Payroll expenses	*(22,217)*	*(20,824)*	*(5,016)*	*(3,884)*	*(1,396)*	*(1,231)*	*(28,629)*	*(25,939)*
Other external expenses	*(27,640)*	*(25,866)*	*(7,972)*	*(7,121)*	*(2,353)*	*(2,545)*	*(37,965)*	*(35,532)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(1,354)	(2,259)	(255)	(198)	364	(392)	(1,245)	(2,849)
Other recurring operating income and expense	(1,079)	(1,915)	(46)	(45)	-	(419)	(1,125)	(2,379)
OPERATING INCOME – CURRENT	**156,819**	**143,700**	**61,730**	**60,204**	**17,228**	**10,756**	**235,777**	**214,660**
Gains and losses on disposals of investment properties and equity investments	38	(65)	-	-	-	-	38	(65)
Change in fair value adjustments	(4,714)	(238,679)	1,797	(90,084)	(1,757)	(5,504)	(4,674)	(334,267)
Increase in fair value of property	*52,753*	*33,835*	*15,950*	*1,184*	*387*	*1,377*	*69,090*	*9,841*
Decrease in fair value of property	*(57,467)*	*(272,514)*	*(14,153)*	*(91,268)*	*(2,144)*	*(6,881)*	*(73,764)*	*(224,655)*
Share of net income (loss) in equity-accounted companies – non-recurring	-	-	3,097	(2,834)	(29)	(356)	3,068	(3,189)
OPERATING INCOME (LOSS)	**152,143**	**(95,044)**	**66,624**	**(32,714)**	**15,442**	**4,896**	**234,209**	**(122,861)**

Note 4.3 Breakdown of investment properties by operating segment

The value of investment properties by country is presented separately whether it relates to assets at fair value or assets at cost.

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Investment properties carried at fair value	**5,846,327**	**5,717,046**
France	4,224,326	4,105,879
Spain	1,274,065	1,262,785
Italy	347,936	348,382
Investment properties carried at cost	**33,213**	**100,010**
France	32,645	100,010
Spain	-	-
Italy	568	-
TOTAL	**5,879,540**	**5,817,056**

At 31 December 2021, in terms of asset value, 72.3% of the Group's investment properties were located in France (compared to 71.8% at 31 December 2020), 21.8% in Spain (compared to 22.1% at 31 December 2020) and 6.0% in Italy (unchanged from 31 December 2020).

Note 4.4 Breakdown of capital expenditure by operating segment

Spending on investment properties broken down by country is disclosed separately for acquisitions, developments and extensions, or for investments in the portfolio on a like-for-like basis.

	France		Spain		Italy		Total	
(in thousands of euros)	2021	2020	2021	2020	2021	2020	2021	2020
Acquisitions	26,277	6,696	0	0	673	0	26,950	6,696
Developments	-	-	-	-	-	-	-	-
Like-for-like capital expenditure	29,772	63,127	6,661	9,444	1,201	692	37,634	73,263
Extensions	4,320	34,708	0	0	399	10	4,719	34,718
Restructuring	10,300	11,388	0	0	0	0	10,300	11,388
Lease incentives	8,065	7,250	2,708	2,642	0	44	10,773	9,936
Renovations	3,781	3,200	3,074	6,772	291	228	7,146	10,200
Maintenance Capex	3,306	6,581	879	30	511	410	4,696	7,021
TOTAL CAPITAL EXPENDITURE	**56,049**	**69,823**	**6,661**	**9,444**	**1,874**	**692**	**64,584**	**79,959**

The "Acquisitions" caption chiefly relates to the acquisition of units in Labège (€8.6 million), Bourges (€2.5 million), Calais (€3.3 million), Angers Saint Serge (€2.0 million), Rennes Cesson (€1.5 million), and Port de Bouc (€1.1 million).

"Extensions" essentially relates to the payment of contingent consideration in respect of the extension to the Athis-Mons arcade (€1.1 million) and to Nice Lingostière (€0.4 million). Capital expenditure relating to the Nice Lingostière extension had already been recognised in the 2020 consolidated financial statements within "Work in progress", depending on the effective progress of the works. Accordingly, the €74.7 million disbursement (including taxes) in May 2021 had no impact on the total capital expenditure amount.

"Restructuring" mainly concerns the Cité Europe shopping centre in Calais-Coquelles (€5.1 million).

Like-for-like capital expenditure chiefly relates to assets being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. The most important projects included in this item are Collégien (€0.7 million), Bourg-en-Bresse (€0.4 million) and Puget (€0.2 million). Like-for-like capital expenditure also includes rent relief granted to tenants.

Note 5 Investment properties

ACCOUNTING POLICIES

Method adopted: fair value

An investment property is a property that is held for the purpose of earning rental income or for capital appreciation, or both. The Group views shopping centres as investment properties. In accordance with the method proposed by IAS 40 and the recommendations of the European Public Real Estate Association (EPRA), investment properties are recognised and valued individually at cost and then subsequently at fair value.

The difference between the fair value of an investment property at the end of the reporting period and its carrying amount before its fair value adjustment at that date is recorded in the statement of income as a gain or loss.

Fair value excludes transfer taxes and costs (taxes are measured on the basis of a direct disposal of the asset, even though these costs may sometimes be reduced if the disposal is performed through a share deal involving the company holding the related asset).

Under IFRS 13, fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an arm's-length transaction between market operators on the valuation date.

There are no restrictions on the Group's ability to realise its investment property, or to recover income from leasing or selling them.

Cost of investment property – general remarks

The acquisition costs of an investment property are capitalised as part of the value of the investment property.

During the life of the property, expenses such as building works, leasing costs and other internal project development costs are also capitalised.

In addition, lease right ownership or commercial rights for common areas for the Specialty Leasing business (leasing of high-footfall shopping centre spaces for short periods of time) are taken into account in the appraisers' valuations, and are therefore included as part of the value of the asset shown in the consolidated financial statements.

Eviction compensation paid to the tenant upon termination of a lease still in force is recognised as follows:

- restructuring of a site: if compensation is paid in connection with a property renovation project, the compensation is included in the cost price of the work performed;
- replacement of a tenant: if compensation is paid to increase the rent compared to that paid by the previous tenant and thereby increase the asset's value, this expense is included in the cost of the asset. Otherwise, it is booked as an expense.

Cost of investment property under construction

Capitalised expenditure relating to investment properties under construction (including extensions) includes the cost of works, the cost of loans directly attributable to the acquisition, construction or production of the asset, when necessary in order to use the asset, as well as costs related to leasing the retail space for the first time.

Capitalised borrowing costs are determined by applying the Group's weighted average cost of borrowing for the related country to the average outstanding amount of construction work done, or, where applicable, based on the financial costs paid for specific borrowings. Capitalisation of interest ceases when the asset under construction enters into service.

Investment properties under construction may be measured at fair value. If the fair value cannot be reliably determined, these projects will continue to be valued at cost, until their fair value can be reliably determined. As with the other assets carried at fair value, they are also measured at market value by an independent appraiser.

The Group believes that a development project's fair value can be reliably determined if the following three conditions are simultaneously met:

- all necessary administrative permits required for the extension have been obtained;
- the construction contract has been signed and the works have begun; and
- there is no longer uncertainty regarding the amount of future rents.

The project margin is then recognised (IPUC) on the "Investment properties at fair value" line.

Appraisal method

Fair value is calculated using the measurement rules set out in IFRS 13; given the complexity of property asset valuation and the nature of certain inputs that cannot be observed on the market (including rate of growth in rents, capitalisation rate, etc.), the fair values have been categorised as Level 3 of the fair value hierarchy defined by the standard based on the type of inputs used for valuation.

The entire portfolio is reviewed by independent appraisers who are rotated every three years. The fair values used are determined by reference to the opinions of these independent appraisers, who value the Group's assets at the end of every half-year. The assets are inspected during these appraisals. The appraisals comply with the guidance contained in the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors ("Red Book"). In order to conduct their work, the appraisers have access to all the information required for valuation of the assets, and specifically the rent roll, the vacancy rate, rental arrangements and the main performance indicators for tenants (retailer sales).

They independently establish their current and future cash flow estimates by applying risk factors either to the net income capitalisation rate or to future cash flows.

On the basis of the data provided, two methods are used to value assets:

Income capitalisation method

This method consists in applying a yield to the total triple-net revenue for occupied premises and capitalising the net market rent for vacant premises.

For rented units, the total triple-net revenue is determined on the basis of the rents indicated in the rental base, less any non-recoverable charges. For vacant premises, a market rent is used that takes into account an appropriate vacancy period.

The yield used is that adopted in the property market for a comparable property, and, in particular, reflects the retail space as well as specific factors such as location, access, visibility, retail competition, form of ownership of the centre (full ownership, joint ownership, etc.), rental and extension potential, and recent transactions involving the same type of asset.

From this value, the total net present value of the rentals plus any benefits granted to tenants, all vacancy costs on empty premises and any other non-recurring costs or works are then deducted.

Discounted cash flow method

Under this method, a property's discounted value is equal to the total future net revenue available over a given timeframe (generally 10 years). The net revenue available for each year is calculated in the same way as the net revenue defined in the capitalisation method, to which are added non-recurring expenses (works, step rents, and other) indexed over time. A resale value is calculated for the property, based on the last indexed rent as of the resale date, less any related expenses, to which a yield is applied.

The discount rate used is a risk-free rate (the 10-year yield on French government bonds), increased by property market risk and liquidity premium as well as asset-specific premiums (based on the nature of the property, rental risk and obsolescence premium).

The appraisers appointed by Carmila are as follows:

- Cushman & Wakefield and Catella in France;
- Cushman & Wakefield and Catella in Spain;
- BNP Paribas Real Estate in Italy.

They use one or more of the above methods. Cushman & Wakefield primarily uses the discounted cash flow method, while Catella systematically uses an average of the two methods.

The fees paid to appraisers, agreed prior to their valuation of the properties concerned, are determined on a flat rate basis depending on the number of retail units and complexity of the appraised assets. The fees are entirely independent from the valuation of the assets. During the 2021 appraisal campaign, fees paid to appraisers were as follows:

(in thousands of euros)	**2021 appraisal fees**
Cushman & Wakefield	189
Catella	202
BNP Paribas Real Estate	27
TOTAL	**418**

The valuations carried out by the independent appraisers are reviewed internally by the relevant department as well as by competent individuals within each operational division. This process includes discussions regarding the assumptions used by the independent appraisers, as well as a review of the results of the valuations. Reviews of the valuation process occur every six months and involve the investment department and the independent appraisers.

The difference between the fair value determined at the end and beginning of the reporting period plus any works and expenses capitalised in the year is recorded in income.

Property under construction valued at cost is tested for impairment as determined by comparison with the project's estimated fair value. The project's fair value is measured internally by the Development teams, on the basis of a capitalisation rate and the expected net rents at the end of the project. Impairment is recognised if the fair value is less than the carrying amount.

Investment properties valued at cost are tested for impairment at 30 June and 31 December of each year, and whenever there is an indication of a loss in value. When such an indication exists, the revised recoverable amount is compared to the carrying amount and impairment recognised where appropriate.

Investment properties acquired more than six months prior to the reporting date are assessed by independent appraisers at 30 June and 31 December each year. Acquisitions in the current half-year period are therefore recognised at acquisition cost.

Leases (lessee accounting)

When signing long-term lease agreements for property assets in particular, the Group analyses contractual provisions to determine whether the agreement is an operating lease or a finance lease, i.e., an agreement which effectively transfers to the lessee virtually all of the inherent risks and rewards inherent to the property's ownership. When a property complex is leased, the land and building are analysed separately.

The first-time application of IFRS 16 at 1 January 2019 resulted in the elimination of the distinction that was previously made between finance leases and operating leases. This led to the recognition on Carmila's statement of financial position of a right-of-use asset and a corresponding lease liability relating to ground leases (see Note 3.3 "Accounting standards"). Guaranteed future incoming lease payments are discounted. Assets are depreciated over the same period as property, plant and equipment that the Group owns or over the term of the lease where this is shorter than the useful life of the properties. Lease payments are allocated between financial expenses and amortisation of the debt.

Investment properties held for sale

Assets for which there is a sale commitment or sale mandate whose divestment has been approved by the Investment Committee are presented on a separate line of the statement of financial position at their last appraisal value, in accordance with the provisions of IFRS 5 – Non-current Assets Held for Sale. The capital gain or loss on the disposal of the investment property, which is the difference between the net sale proceeds and the carrying amount of the asset, is recorded in the statement income.

Leases (lessor accounting)

See Note 8.1 "Net rental income".

Gains and losses on disposal

Disposal gains are determined as the difference between the proceeds from the sale and the carrying amount of the property asset at the start of the period, adjusted for investment expenditure over the period and any deferred taxes recognised on the historic unrealised gain recorded for this asset.

Note 5.1 Details of investment properties carried at fair value and at cost

(in thousands of euros)	
Investment properties carried at fair value – 31 Dec. 2019	**6,001,608**
Acquisitions	6,696
Investments	42,598
Disposals and removals from the scope of consolidation	(367)
Other movements and reclassifications	250
Change in accounting method	528
Change in fair value	(334,267)
Investment properties carried at fair value – 31 Dec. 2020	**5,717,046**
Acquisitions	26,950
Investments	37,143
Capitalised interest	491
Disposals and removals from the scope of consolidation	(8,208)
Other movements and reclassifications	77,064
Application of IFRS 16	515
Change in fair value	(4,674)
Investment properties carried at fair value – 31 Dec. 2021	**5,846,327**

(in thousands of euros)	
Investment properties carried at cost – 31 Dec. 2019	**68,785**
Acquisitions	29,538
Capitalised interest	1,127
Disposals and removals from the scope of consolidation	(309)
Other movements and reclassifications	869
Investment properties carried at cost – 31 Dec. 2020	**100,010**
Other movements and reclassifications	(66,797)
Investment properties carried at cost – 31 Dec. 2021	**33,213**

Note 5.1.1 Investment properties carried at fair value

“Investments” primarily comprise investments made on a like-for-like basis and restructuring work valued by the appraisers.

The “Other movements and reclassifications” caption shows the net balance of assets brought into service during the period, and the reconciliation of assets measured at cost at 31 December 2021 with their measurement at fair value.

“Change in fair value” records gains and losses on the value of assets based on the valuations made by independent appraisers. Changes in fair value are analysed by country in Note 5.2 “Valuation assumptions and sensitivity analysis”.

Note 5.1.2 Investment properties carried at cost

The "Other movements and reclassifications" line includes the reclassification of the Nice Lingostière project at fair value.

At 31 December 2021, no indication of a loss in value was identified for investment properties valued at cost.

The reconciliation of investments broken down by country (Note 4.4 "Breakdown of capital expenditure by operating segment") with the above data is as follows:

(in thousands of euros)		31 Dec. 2021
Investment properties carried at fair value – Acquisitions	6.1	26,950
Investment properties carried at cost – Acquisitions	6.1	0
TOTAL ACQUISITIONS AND CHANGES IN SCOPE OF CONSOLIDATION		**26,950**
TOTAL ACQUISITIONS – INVESTMENTS BY COUNTRY	**5.4**	**26,950**

(in thousands of euros)		31 Dec. 2021
Investment properties carried at fair value – Investments	6.1	37,143
Investment properties carried at fair value – Capitalised interest	6.1	491
Investment properties carried at cost – Investments	6.1	0
Investment properties carried at cost – Capitalised interest	6.1	0
TOTAL INVESTMENTS AND CAPITALISED INTEREST		**37,634**
Developments	5.4	4,719
Like for like investments	5.4	32,915
TOTAL ACQUISITIONS – DEVELOPMENTS AND EXTENSIONS AND LIKE-FOR-LIKE PORTFOLIO	**5.4**	**37,634**

Note 5.2 Valuation assumptions and sensitivity analysis

At 31 December 2021, appraisers reviewed the value of all of the Group's assets carried at fair value.

The table below presents the data used to determine the fair value of investment properties:

31 Dec. 2021 – Weighted average	Yield	Rent in € per sq.m.(1)	Discount rate(2)	Exit rate(3)	CAGR of NRI(4)
France	5.6%	257	6.2%	6.0%	1.6%
Spain	6.7%	222	9.4%	6.6%	1.8%
Italy	6.0%	291	7.4%	6.4%	1.7%

"Yield" corresponds to the Net Initial Yield.
(1) The rent is an annual average rent equal to minimum guaranteed rent plus variable rents per asset and per occupied sq.m.
(2) Rate used by appraisers to calculate the present value of future cash flows using the DCF method (discount rate).
(3) Rate used by appraisers to capitalise revenues in the exit year in order to calculate the exit value of the asset (exit yield).
(4) Average annual 10-year NRI growth rate used by the appraisers.

These data represent a slight increase when compared to 31 December 2020.

31 Dec. 2020 – Weighted average	Yield	Rent in € per sq.m.(1)	Discount rate(2)	Exit rate(3)	CAGR of NRI(4)
France	5.6%	261	6.2%	6.0%	1.3%
Spain	6.6%	222	9.0%	6.5%	1.7%
Italy	6.0%	292	7.4%	6.4%	1.5%

"Yield" corresponds to the Net Initial Yield.
(1) The rent is an annual average rent equal to minimum guaranteed rent plus variable rents per asset and per occupied sq.m.
(2) Rate used by appraisers to calculate the present value of future cash flows using the DCF method (discount rate).
(3) Rate used by appraisers to capitalise revenues in the exit year in order to calculate the exit value of the asset (exit yield).
(4) Average annual 10-year NRI growth rate used by the appraisers.

The table below summarises the impact by country of the change in the fair value of investment properties in the statement of income:

	France		Spain		Italy		Total	
(in thousands of euros)	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Change in fair value adjustments	(4,714)	(238,679)	1,797	(90,084)	(1,757)	(5,504)	(4,674)	(334,267)
Increase in fair value of property	52,753	33,835	15,950	1,184	387	1,377	69,090	36,396
Decrease in fair value of property	(57,467)	(272,514)	(14,153)	(91,268)	(2,144)	(6,881)	(73,764)	(370,663)

Based on the value of the assets including estimated transfer taxes and duties, the average yield on the assets fell slightly to 6.18% at 31 December 2021 (compared to 6.20% at 31 December 2020).

All else being equal, a 15 basis-point increase in yields would result in a decrease in the value of the total portfolio, including transfer taxes and duties (excluding assets under development or equity-accounted and excluding the effect of changes in rents resulting from the decrease in yield) of €146.2 million (2.4%). A 25 basis (point increase in yields would reduce the value of the portfolio by €239.9 million (3.9%). A 50 basis-point increase in yields would reduce the value of the portfolio by €461.9 million (or 7.5%).

Note 5.3 Investment properties held for sale

At 31 December 2021, there were no investment properties held for sale.

Note 6 Financing and financial instruments

ACCOUNTING POLICIES

Loans and other financial liabilities are carried at amortised cost calculated in accordance with the effective interest rate method.

Bond redemption premiums and issuance costs are recorded as a deduction from the nominal amount of the borrowings concerned and are accounted for at amortised cost, thereby increasing the nominal interest rate.

The Carmila Group's hedging policy aims to secure the cash flows it needs based on its financing requirements in euros. IFRS 9 – Financial Instruments, defines three types of hedging relationships:

- fair value hedging: a hedge of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (or an identified portion of such an asset, liability or firm commitment), which is attributable to a specific risk and could affect earnings;
- cash flow hedging: a hedge against exposure to changes in cash flow that: (i) is attributable to a specific risk associated with a recognised asset or liability (such as all or part of future interest payments on floating-rate debt), or a highly probable forecast transaction, and (ii) could affect earnings;
- hedging of a net investment in a foreign operation, as defined in IAS 21 – Effects of Changes in Foreign Exchange Rates.

In Carmila's case, all interest rate derivatives in the portfolio are documented as cash flow hedges except for one residual cost recognised at fair value with changes in fair value taken to the income statement.

The use of cash flow hedge accounting has the following consequences: at the end of the reporting period, interest rate derivatives (swaps) are recognised at fair value on the statement of financial position, with any changes in fair value attributable to the effective portion of the hedge recognised directly in other comprehensive income (OCI), and the ineffective portion though the statement of comprehensive income. The amount recognised in "Other comprehensive income" is subsequently recognised in income in a symmetrical manner to the interest hedged.

Carmila uses the dollar offset method for measuring hedge effectiveness.

Method for determining the fair value of financial instruments

The market values of interest rate instruments are determined based on market-recognised valuation models or by reference to prices from third-party financial institutions.

The values estimated by valuation models are based on the discounted cash flow method for futures contracts and on the Black-Scholes models for options. These models use inputs based on market data (yield curves and exchange rates) obtained from recognised financial-data providers.

The assessment of fair value for derivative financial instruments includes a "counterparty risk" component for derivatives with a positive fair value, and an "intrinsic credit risk" component for derivatives with a negative fair value. Counterparty risk is calculated using the "Expected-loss" method, which takes default risk exposure into account as well as the likelihood of default and the loss rate in the event of default. The probability of default is determined based on available market data for each counterparty ("implied CDS default probability").

The fair value of long-term debt is estimated according to the market value of bonds or the present value of all future cash flows discounted in accordance with market conditions for a similar instrument (in terms of currency, maturity, interest rate type and other factors).

Application of IFRS 9 for renegotiated debt terms

Carmila's financing also includes a bank loan for a nominal amount of €770 million. The loan was taken out in 2013 and has been renegotiated several times since. Successive renegotiations did not make any substantial modifications to the initial contract as defined under IFRS 9. As a result, the carrying amount of the debt with its original effective interest rate (EIR) was recognised within equity, leading to a €19,754 thousand decrease in the value of the debt and an increase in equity for the same amount. This reduction of the debt's original EIR is spread over the residual term of the underlying liability.

During successive negotiations, the maturity of the debt was extended to 2024. No other terms of the loan were changed.

This resetting of the debt in 2019 at its original effective interest rate led to the recognition of a gain of €4,707 thousand in other financial income, deferred over the residual term of the underlying liability.

In December 2020, Carmila repaid €200 million of this loan. The proportion of the loan corresponding to extending its maturity and the application of IFRS 9 was reversed in an amount of €5,095 thousand.

In April 2021, Carmila repaid €300 million of this loan. The proportion of the loan corresponding to extending its maturity and the application of IFRS 9 was reversed in an amount of €6,379 thousand.

This amount is in addition to the total expense relating to spreading the impact of resetting the original effective interest rate on debt over several reporting periods (€1,544 thousand), and is recognised in other financial expenses.

Note 6.1 Net financial expense

Note 6.1.1 Cost of net debt

(in thousands of euros)	2021	2020
Financial income	**1,039**	**917**
Interest on Group current account	421	293
Financial income on cash equivalents	575	624
Other financial income	43	-
Financial expenses	**(62,985)**	**(57,634)**
Interest expense on bonds	(45,081)	(38,195)
Interest expense on borrowings from lending institutions	(1,536)	(5,016)
Capitalised interest expense	491	1,127
Deferral of costs, bond redemption premiums and swap balancing payments	(10,699)	(9,602)
Interest expense on swaps	(5,184)	(5,037)
Interest on Group current-account	(976)	(984)
Other financial expenses	-	73
COST OF NET DEBT	**(61,946)**	**(56,717)**

The cost of net debt in 2021 rose by €5.2 million year on year to €61.9 million. The cost of net debt mainly reflects the €3.4 million increase in interest expense and €1.9 million in non-recurring and non-cash expenses.

The change in interest expense can be analysed as follows:

- a rise in interest expense on bonds (new €300 million bond issue in November 2020 and a further €300 million issue in March 2021) represented €6.9 million;
- this increase was partly offset by a €3.5 million fall in interest expenses on bank borrowings (repayment of €200 million in November 2020 and of €300 million in April 2021).

The change in non-recurring and non-cash expenses can be analysed as follows:

- a €1.3 million increase in amortisation of issuance premiums and costs, mainly due to the reversal of the portion of issuance costs still to be amortised following the cancellation of the 2017 revolving credit facility. The costs of the new revolving credit facility have been capitalised and are being amortised over the life of each tranche of the facility;
- interest income from capitalised financial expenses decreased by €0.6 million due to the delivery of the Nice Lingostière extension.

Note 6.1.2 Other financial income and expenses

(in thousands of euros)	2021	2020
Other financial income	**874**	**953**
Financial income from investments	58	199
Change in value of financial instruments	-	737
Other financial income	816	17
Other financial expenses	**(12,635)**	**(19,856)**
Commitment fees on undrawn credit lines	(2,451)	(2,454)
Deferral of resetting EIR at initial rate (IFRS 9)	(7,923)	(10,490)
Change in value of financial instruments	(1,120)	-
Other financial expenses	(1,141)	(6,912)
OTHER FINANCIAL INCOME AND EXPENSES	**(11,761)**	**(18,903)**

Other financial income fell by €79 thousand. At 31 December 2020, this item was mainly affected by changes in credit risk on derivatives representing €737 thousand. Other financial income for 2021 mainly consists of the reversal of a provision for the impairment of a receivable related to an investment following the waiver of receivables (€795 thousand).

Other financial expenses chiefly relate to:

- commitment fees for undrawn credit lines amounting to €2,451 thousand;
- the deferred recognition of the IFRS 9 impact relating to resetting the effective interest rate on debt at its initial rate, representing €7,923 thousand, including an expense of €6,379 thousand corresponding to the reversal of the proportion of the €300 million repayment on the term loan on 9 April 2021;
- changes in credit risk on derivatives representing €1,120 thousand;
- waivers of receivables related to investments for €795 thousand.

Note 6.2 Current and non-current financial liabilities

Carmila is rated BBB by S&P. On 14 September 2021, S&P confirmed Carmila's BBB rating and revised its outlook from negative to stable.

At 31 December 2021, the interest coverage ratio was 3.9x, the Loan-to-Value ratio stood at 37.4% and the average debt maturity at 4.3 years.

Note 6.2.1 Change in debt

(in thousands of euros)	31 Dec. 2020	Change	Issuance	Repayment	Reclassifications	Other movements	Fair value adjustment	31 Dec. 2021
Non-current financial liabilities	**2,367,042**	**3,937**	**292,950**	**(293,297)**	**7,110**	**-**	**(26,582)**	**2,351,160**
Bonds	1,890,978	-	300,000	-	(1)	-	-	2,190,977
Bond issuance premiums	(8,844)	-	(576)	2,119	-	-	-	(7,301)
Bank borrowings	470,000	-	-	(300,000)	-	-	-	170,000
Impact of resetting effective interest rate	(7,732)				7,111			(621)
Loan and bond issuance fees	(7,405)	-	(6,474)	4,584	-	-	-	(9,295)
Derivative instruments with a negative fair value	30,046	3,937	-	-	-	-	(26,582)	7,401
Current financial liabilities	**252,820**	**(3,573)**	**507,923**	**(525,000)**	**(7,111)**	**-**	**1,111**	**226,170**
Bank borrowings	1,043	-	-	-	(1,043)	-	-	-
Impact of resetting effective interest rate	(2,832)		7,923		(6,068)	-	-	(977)
Accrued interest on loans	16,563	5,279	-	-	-	-	-	21,842
Other borrowings and debt	225,000	-	500,000	(525,000)	-	-	-	200,000
Derivative instruments with a negative fair value	4,112	-	-	-	-	-	1,111	5,223
Bank facilities	8,934	(8,852)	-	-	-	-	-	82
Other IFRS 16 financial liabilities	**35,800**	**-**	**-**	**(1,952)**	**-**	**1,870**	**-**	**35,718**
Other IFRS 16 financial liabilities – non-current	34,436	-	-	(1,952)	(619)	1,870	-	33,735
Other IFRS 16 financial liabilities – current	1,364			-	619			1,983
GROSS DEBT	**2,655,662**	**364**	**800,873**	**(820,249)**	**(1)**	**1,870**	**(25,471)**	**2,613,048**

Note 6.2.2 Principal Group financing

(in thousands of euros)	Borrower	Currency of Issue	Interest rate	Final maturity date	Repayment profile	Maximum amount	Amount drawn at 31 Dec. 2021
Bonds						**2,300,000**	**2,190,977**
	Carmila SA	EUR	2.375%	Sept. 2023	at maturity	600,000	547,900
	Carmila SA	EUR	2.375%	Sept. 2024	at maturity	600,000	543,077
	Carmila SA	EUR	2.125%	March 2028	at maturity	350,000	350,000
	Carmila SA	EUR	1.890%	Nov. 2031	at maturity	50,000	50,000
	Carmila SA	EUR	3.000%	June 2029	at maturity	100,000	100,000
	Carmila SA	EUR	1.625%	May 2027	at maturity	300,000	300,000
	Carmila SA	EUR	1.625%	March 2029	at maturity	300,000	300,000
Bank loans						**770,000**	**170,000**
	Carmila SA	EUR	3-month Euribor	June 2024	at maturity	770,000	170,000
Commercial paper						**600,000**	**200,000**
	Carmila SA	EUR				600,000	200,000
Revolving credit facility						**810,000**	**0**
	Carmila SA	EUR		Oct. 2024		270,000	0
	Carmila SA	EUR		Oct. 2026		540,000	
						4,480,000	2,560,977

Note 6.2.3 Bonds

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount of €2,191 thousand. These bonds are repayable at maturity, falling between 2023 and 2031.

On 25 March 2021, Carmila issued an eight-year bond with a nominal amount of €300 million. The net consideration for Carmila after deducting the issuance premium and bank fees totalled €299,010 thousand.

At 31 December 2021, the amount of Carmila's bond debt therefore totalled €2,191 million. Issuance premiums and costs represented €12,247 thousand and will be amortised over the residual term of the underlying debt.

Note 6.2.4 Bank borrowings

Carmila strengthened its financial structure by signing two new revolving credit facilities on 21 October for €270 million and €540 million, in two (three- and five-year) tranches, including two one-year extension options. The facility replaces an existing €759 million revolving credit facility due in 2024. These new facilities include two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025.

No drawdowns were made by Carmila on the revolving credit facility in 2021.

The facility was repaid ahead of maturity in an amount of €100 million in 2019, €200 million in 2020, and €300 million in 2021, with €170 million still outstanding at end-December 2021.

At 31 December 2021, €4,328 thousand of issuance costs for these loans remain to be amortised over the period of the underlying debt.

Note 6.2.5 Compliance with banking covenants at 31 December 2021

The loan agreement and the revolving credit facilities are subject to compliance with banking covenants measured at the end of each interim and annual reporting period:

- interest coverage ratio: the ratio of EBITDA to the net cost of debt must be greater than 2.00 at the test dates. This ratio stands at 3.9x at 31 December 2021 (stable versus 31 December 2020);
- loan-to-value ratio: the ratio of consolidated net debt to the fair value of the investment assets (including transfer taxes) must not exceed 55% on the same date; the ratio may be exceeded for one half-year period. This ratio stands at 37.4% at 31 December 2021 (compared with 37.0% at 31 December 2020).

Failure to comply with these covenants entitles the lenders to demand immediate repayment of their facilities.

Under the loan agreements, Carmila may provide collateral for up to 20% of the total amount of the fair value of investment properties. Said value must be greater than €2,500 million at all times.

At 31 December 2021, the Group complied with the applicable baking covenants, and does not anticipate any factor that would lead it to breach said covenants in the coming months.

Note 6.2.6 Other financing

The Group also strives to diversify its sources of financing and their maturities, and has set up a short-term commercial paper programme (NEU CP) for a maximum amount of €600 million, registered with the Banque de France on 29 June 2017 and renewed annually.

The outstanding balance at the end of December 2021 was €200 million, maturing in 2020. The maximum outstanding balance drawn over the period was €250 million.

Carmila strengthened its financial structure by signing two new revolving credit facilities on 21 October for €270 million and €540 million falling due in October 2024 and October 2026 (including two one-year extension options). The facilities replace an existing €759 million revolving credit facility due in 2024. These new facilities include two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. No drawdowns were made by Carmila on the revolving credit facility in 2021.

Note 6.2.7 Breakdown of financial liabilities by maturity

At 31 December 2021, financial liabilities are broken down by maturity were as follows:

(in thousands of euros)	31 Dec. 2021	Less than 1 year	2 years	3 years	4 years	5 years and beyond
Bonds	**2,200,545**	**18,540**	**544,915**	**541,190**	**(1,166)**	**1,097,065**
Bonds – non-current	2,190,977	-	547,900	543,077	-	1,100,000
Bond redemption premiums – non-current	(7,301)	(2,213)	(2,002)	(1,146)	(569)	(1,372)
Accrued interest	21,801	21,801				
Issuance costs	(4,932)	(1,048)	(983)	(741)	(597)	(1,563)
Bank loans	**364,080**	**197,902**	**(1,708)**	**168,922**	**(575)**	**(462)**
Bank borrowings – non-current	170,000	-	-	170,000	-	-
Impact of resetting effective interest rate	(1,598)	(977)	(543)	(79)	-	-
Issuance costs	(4,363)	(1,162)	(1,165)	(999)	(575)	(462)
Accrued interest	41	41	-	-	-	-
Bank borrowings – current	-	-				
Other borrowings and debt – current	200,000	200,000	-	-	-	-
Other IFRS 16 financial liabilities	**35,718**	**1,983**	**1,127**	**800**	**821**	**30,987**
Other IFRS 16 financial liabilities – non-current	33,735		1,127	800	821	30,987
Other IFRS 16 financial liabilities – current	1,983	1,983				
BANK AND BOND BORROWINGS	**2,600,343**	**218,425**	**544,335**	**710,912**	**(919)**	**1,127,590**
Derivative instruments with a negative fair value	12,624	4,866	4,842	4,398	3,840	(5,322)
Bank facilities	82	82	-	-	-	-
GROSS DEBT BY MATURITY DATE	**2,613,048**	**223,373**	**549,177**	**715,310**	**2,921**	**1,122,268**

Contractual flows including principal and interest can be analysed by maturity as follows:

2021

Year of repayment *(in thousands of euros)*	2022	2023	2024	2025	2026	2027+	Total
Principal	200,000	547,900	713,077	-	-	1,100,000	2,560,977
Interest	48,098	44,836	31,580	21,133	21,133	21,133	187,912
GROUP TOTAL (PRINCIPAL + INTEREST)	**248,098**	**592,736**	**744,657**	**21,133**	**21,133**	**1,121,133**	**2,748,889**

2020

Year of repayment *(in thousands of euros)*	2021	2022	2023	2024	2025	2026+	Total
Principal	225,000	-	547,900	1,013,139	-	800,000	2,586,039
Interest	45,121	45,062	41,809	28,072	16,258	16,258	192,579
GROUP TOTAL (PRINCIPAL + INTEREST)	**270,121**	**45,062**	**589,709**	**1,041,211**	**16,258**	**816,258**	**2,778,618**

Note 6.3 Management of financial risks and hedging strategy

Note 6.3.1 Credit risk

Credit risk is the risk of financial loss for the Group in the event that a customer or debtor fails to meet its contractual obligations. This risk mainly derives from trade receivables, financial investments made in order to invest surplus funds, hedging agreements with financial institutions, and current accounts with partners invested in the Group's minority interests.

In France as in Spain and Italy, trade receivables relate to tenants; none of which represent a significant percentage of the related revenue. On signing a lease, lessees pay security deposits or provide bank guarantees that, on average, represent three months' rent. The Group strives to implement procedures for verifying the creditworthiness of its customers, monitoring credit collection and systematically following up on unpaid receivables.

Cash is only invested in high-quality instruments. No speculative or high-risk investments are made.

Hedging agreements are intended to hedge interest rate risk and are solely for non-speculative hedging transactions. The counterparties for these transactions are large, blue-chip banks.

The impact of Covid-19 on the Group's receivables is described in Note 7.5.

Note 6.3.2 Liquidity risk

Liquidity risk is the risk incurred by the Group in the event that it encounters difficulties in repaying its debt as it falls due.

Carmila's policy is to ensure that it has sufficient liquid funds to meet its obligations. Liquidity risk is managed in the short term, since cash and financial investments (as well as the committed revolving credit facilities) more than cover current liabilities.

At end-December 2021, Carmila had two revolving credit facilities for €270 million and €540 million. This facility was not drawn down during the year.

The remaining balance of cash and cash equivalents at 31 December 2021 was €238 million.

As regards the Group's cash position, the rent relief and waivers granted further to the French government's Covid-19-related measures did not give rise to any specific liquidity risk. The Group does not anticipate any material risks in this respect in the coming months.

Note 6.3.3 Other financial risks

Counterparties, changes in exchange rates, interest rates and the stock market each pose different risks.

As Carmila entrusts its cash investments to blue-chip banks, the Group is not exposed to any specific counterparty risk.

Since Carmila operates entirely within the eurozone, the Group is not exposed to exchange risk.

With regard to interest-rate risk, Carmila has implemented a hedging policy with the use of derivatives (interest rate swaps and plain vanilla options), as described in Note 7.4 "Classification and measurement of financial instruments and hedging transactions".

As the Group does not hold any shares in listed companies apart from its own shares it is not exposed to equity risk.

Note 6.4 Classification and measurement of financial instruments and hedging transactions

As the parent company, Carmila provides for almost all of the Group's financing and manages interest rate risk centrally.

The Group makes a distinction between three categories of financial instruments using the various valuation methods and uses this classification, in compliance with international accounting standards, to present the characteristics of the financial instruments recognised in the statement of financial position at fair value at the end of the reporting period:

- level 1: financial instruments quoted on an active market;
- level 2: financial instruments whose fair value measurement is based on valuation techniques drawing on observable market inputs;
- level 3: financial instruments whose fair value measurement is based on valuation techniques drawing on non-observable inputs (inputs resulting from assumptions that are not based on observable prices for market transactions for the same instrument or on observable market data available at the reporting date), or only partially based on observable inputs.

(in thousands of euros)	Fair value level	Fair value in profit and loss	Fair value through OCI – period impact	Loans and receivables	Liabilities at amortised cost	Liabilities at fair value	Value in the statement of financial position at 31 Dec. 2021
Assets							**341,476**
Security deposits				**12,893**			**12,893**
Trade receivables				75,489			75,489
Other current financial receivables				14,826			14,826
Marketable securities – excl. money-market	Level 1	-					-
Cash and cash equivalents	Level 1	238,268					238,268
Liabilities							**2,557,005**
Bonds					2,178,744		2,178,744
Bank loans					165,637		165,637
Commercial paper					200,000		200,000
Derivative instruments with a negative fair value	Level 2		21,475			12,624	12,624

The carrying amounts of assets other than financial assets represent reasonable estimates of their market value.

The fair value of derivative financial instruments is determined using standard valuation methods which factor in market conditions at the reporting date.

The fair value of marketable securities and other current financial assets is based on the last quoted price.

Carmila's policy is to hedge its floating-rate debt in order to secure future cash flows by fixing or capping the interest rate paid. This policy involves setting up plain vanilla derivatives, interest rate swaps or options and swaptions which are eligible for hedge accounting.

The fixed interest rate position (fixed-rate debt + swapped floating-rate debt) stands at 96% of gross debt at 31 December 2021 (compared with 88% at end-2020), and hedging instruments represent 70% of floating-rate debt on the same date.

In 2021, the Group unwound two swaps for a notional amount of €125 million by means of a balancing payment of €6.2 million. This payment is recognised in other comprehensive income and reclassified to the statement of income over the life of the hedged item.

At 31 December 2021, the Group had four fixed-rate borrower swaps against three-month Euribor for a notional amount of €260 million. The swap covering the longest term expires in December 2030. This strategy is consistent with the Group's future borrowing plan.

Carmila also has a €100 million cap which it set up in 2019 and which matures in June 2023.

These instruments were contracted with blue-chip banks and hedge the future floating-rate interest payments of the Group's financing (the "highly probable" nature of this financing is demonstrated by the €170 million bank loan and commercial paper).

These hedging instruments are accounted for as cash flow hedges.

As a consequence of this cash flow hedge accounting, the derivative instruments are recognised on the closing statement of financial position at their market (fair) value, with any changes in fair value attributable to the effective portion of the hedge recognised in shareholders' equity (OCI) and the ineffective portion taken to income under other financial income and expenses.

The fair value of the swaps at 31 December 2021 is considered to be 100% effective and was therefore recognised in shareholders' equity for a negative amount of €12,916 thousand, down on the 31 December 2020 figure owing to the unwinding of two swaps mentioned above.

The positive €20,346 thousand impact on items recorded in other comprehensive income in 2021 therefore includes a positive impact of €22,586 thousand relating to changes in the fair value of swaps, a positive impact of €3,996 thousand relating to the reclassification of other comprehensive income to income (balancing payments on swaps cancelled previously), and a negative impact of €6,236 thousand relating to the balancing payment on swaps cancelled during the period, which will be reclassified to income over the life of the hedged item.

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
FINANCIAL INSTRUMENTS WITH A NEGATIVE FAIR VALUE		
Derivatives with a negative FV – through income	0	0
Derivatives with a negative FV – cash flow hedges	12,916	35,502

These amounts do not take into account the assessment of the credit risk representing €233 thousand in 2021 (€1,344 thousand in 2020).

The sensitivity of derivative instruments to a 0.50% increase or decrease in interest rates is as follows:

Fair value of hedging instruments *(in thousands of euros)*	0.50% decrease in interest rates		0.50% increase in interest rates	
	Impact on equity	Impact on income	Impact on equity	Impact on income
Swap as CFH	(8,919)		8,767	
Options designated as trading instruments		0		0

Note 7 Breakdown of other statement of financial position items

Note 7.1 Intangible assets

ACCOUNTING POLICIES

In accordance with IAS 38 – Intangible Assets and the IFRIC decision of March 2021 on configuration or customisation costs in a cloud computing arrangement, intangible assets with a finite useful life are amortised on a straight-line basis over the periods corresponding to their estimated useful lives. Indefinite lived intangible assets are not amortised. The indeterminate nature of the useful life is reviewed every year. An impairment test is performed on these non-current assets annually (IAS 36) or whenever there is an indication of a loss in value.

After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and impairment.

(in thousands of euros)	31 Dec. 2020	Acquisitions	Additions/ reversals	Reclassifications/ retirements	31 Dec. 2021
Software	1,624	74	-	-	1,698
Other intangible assets	17,243	173	-	9	17,425
Intangible assets in progress	157	-	-	(113)	44
Intangible assets – gross value	**19,025**	**247**	**-**	**(104)**	**19,167**
Amortisation/impairment of software	(986)	-	(160)	(295)	(1,441)
Amortisation/impairment of other intangible fixed assets	(13,458)	-	101	294	(13,063)
Intangible assets – cumulative amortisation	**(14,444)**	**-**	**(59)**	**(1)**	**(14,504)**
TOTAL INTANGIBLE ASSETS – NET	**4,581**	**247**	**(59)**	**(105)**	**4,664**

Note 7.2 Property, plant and equipment

ACCOUNTING POLICIES

In accordance with IAS 16 – Property, Plant and Equipment, when these assets (including land, buildings, installations and equipment) are not classified as investment properties, they are measured at historical cost less accumulated depreciation and impairment.

Property, plant and equipment under construction are accounted for at cost less any identified impairment

(in thousands of euros)	31 Dec. 2020	Acquisitions	Additions/ reversals	Application of IFRS 16	Reclassifications/ retirements	31 Dec. 2021
Technical plant, machinery and equipment	4,466	148	-	-	25	4,639
Office and computer equipment	573	59	-	-	-	632
Transportation equipment	643	-	-	-	-	643
Company's office buildings	2,567	-	-	1,355	-	3,922
Other property, plant and equipment	102	-	-	-	(12)	90
Property, plant and equipment – gross value	**8,351**	**207**	**-**	**1,355**	**13**	**9,926**
Depreciation/impairment of technical plant, machinery and equipment	(2,812)	-	(293)	-	8	(3,097)
Depreciation/impairment of office and computer equipment	(457)	-	(54)	-	-	(511)
Depreciation/impairment of transportation equipment	(598)	-	-	-	-	(598)
Depreciation/impairment of company's office buildings	(1,225)	-	(1,068)	-	-	(2,293)
Depreciation/impairment of other property, plant and equipment fixed assets	(54)	-	(4)	-	-	(58)
Property, plant and equipment – cumulative depreciation	**(5,146)**	**-**	**(1,419)**	**-**	**8**	**(6,557)**
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	**3,205**	**207**	**(1,419)**	**1,355**	**21**	**3,369**

At 31 December 2021, property, plant and equipment mainly includes fixtures and office equipment for the Group's service centres in France and Spain. No acquisitions or write-offs were recognised during the period.

Note 7.3 Investments in equity-accounted companies

ACCOUNTING POLICIES

The accounting policies applied to equity-accounted companies are described in Note 3.1. The list of equity-accounted companies is set out in Note 13.3 "List of consolidated companies".

The method used to account for investment properties at fair value was also applied to investments in associates, in proportion to the Group's interest in these entities.

(in thousands of euros)	31 Dec. 2020	Net income	Distribution	31 Dec. 2021
Investments in equity-accounted companies	48,061	3,068	(820)	50,309

At 31 December 2021, this item consisted exclusively of As Cancelas (Spain), acquired in 2014 and currently in operation, and Carmila Thiene (Italy), the purpose of which is to deploy a project.

Financial information on equity-accounted companies

The table below shows the main statement of financial position items relating to equity-accounted companies, presented as if the companies were wholly owned by Carmila and including consolidation adjustments:

Equity-accounted companies (in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Investment properties	129,402	126,702
Other non-current assets	1,582	1,776
Deferred tax assets	(1,238)	2,436
Non-current assets	**129,746**	**130,914**
Trade receivables	-	377
Other current assets	1,257	1,157
Cash and cash equivalents	2,284	2,406
Current assets	**3,541**	**3,940**
TOTAL ASSETS	**133,287**	**134,854**

Equity-accounted companies *(in thousands of euros)*	31 Dec. 2021	31 Dec. 2020
Equity attributable to owners	108,294	101,071
Total equity	**108,294**	**101,071**
Borrowings and financing from associates	19,400	28,247
Other non-current liabilities	2,132	2,143
Non-current liabilities	**21,532**	**30,390**
Current liabilities	**3,461**	**3,393**
TOTAL EQUITY AND LIABILITIES	**133,287**	**134,854**

Equity-accounted companies *(in thousands of euros)*	2021	2020
Gross rental income	7,855	7,542
NET INCOME (LOSS)	**6,136**	**(6,378)**
Dividends distributed	1,640	2,419

Note 7.4 Other non-current assets

ACCOUNTING POLICIES

In accordance with IFRS 9 – Financial Instruments, the main financial assets are classified in one of the following three categories:

- loans and receivables;
- assets held to maturity;
- assets available for sale.

The application of IFRS 9 leads to a redefinition of the methodology for classifying and measuring financial assets, which is now based on:

- the contractual characteristics of cash flows; and
- the business model for managing the assets.

The definition of financial assets used has been extended and now includes loans, advances, current accounts, non-consolidated securities, trade receivables and derivatives with a positive fair value. IFRS 9 also makes a distinction between two categories of financial assets: debt instruments and equity instruments. Depending on the characteristics of the contractual cash flows and business model, the resulting valuation method is different.

The classification is determined by the Group on initial recognition, depending on the type of asset and the purpose for which it was acquired. Sales and purchases of financial assets are recognised at the transaction date, i.e., the date on which the Group purchased or sold the asset. Other long-term investments include minority stakes in young companies developing innovative and promising retail concepts for goods and services.

Loans and receivables are initially carried at fair value and subsequently at amortised cost using the effective interest rate method. For short-term receivables with no specified interest rate, the fair value is taken as the amount on the original invoice. These items are tested for impairment when there is an indication of a loss in value. Impairment is recognised if the carrying amount is higher than the estimated recoverable amount.

This category includes receivables related to equity investments, other loans and receivables, and trade receivables. They appear in the statement of financial position under "Other financial assets" or "Trade receivables".

For assets available-for-sale, see Note 5 "Investment property".

(in thousands of euros)	31 Dec. 2020	Increases	Decreases	Reclassification	31 Dec. 2021
Non-consolidated equity interests	929	5,929	-	226	7,084
Security deposits	12,921	30	(57)	-	12,894
Other financial assets	68	-	-	-	68
Other non-current assets – gross value	**13,918**	**5,959**	**(57)**	**226**	**20,046**
Impairment on other non-current assets	**(1,295)**	**-**	**788**	**-**	**(507)**
OTHER NON-CURRENT ASSETS – NET	**12,623**	**5,959**	**731**	**226**	**19,539**

The increase in non-consolidated equity interests in 2021 mainly relates to the acquisition of HDDB Holding shares for €4.2 million and the subscription to Pharmalley convertible bonds for €1.3 million.

The security deposits recognised as non-current assets relate to deposits made with the Spanish administrative authorities, which require a percentage of the security deposits received from tenants to be deposited with the authorities in a special escrow account.

Note 7.5 Trade receivables

ACCOUNTING POLICIES

Trade receivables mainly comprise rent receivable from tenants, front-end fees and any advisory services. They also include the effect of the deferred recognition of benefits granted to tenants (rent-free periods and step rents). In the event of a loss in value, an impairment loss is recognised against the receivables, which takes into account the debtor's capacity to honour its debt and the period for which the receivable is past due. The Group books a provision for 50% of the corresponding receivables when they are over six months and less than one year past due, or for the full amount if the receivables are more than one year past due. A provision is made for the full amount of any past due receivables from tenants for which there is a risk of insolvency. These include tenants undergoing safeguard proceedings, or which are in receivership or liquidation, or any tenant for which a significant credit risk has been identified.

Additional allowances were also recognised to reflect the ongoing health crisis. See notes 1 "Significant events of 2021" and 8.1.2 "Accounting treatment applied to the impacts of the health crisis".

In accordance with IFRIC 21, provisions were recorded for all property taxes owed for 2021 as of 1 January of that year. Simultaneously, an accrual for the share of property taxes rebilled to tenants was recorded as accrued revenue. This has no impact on the annual financial statements.

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Trade receivables – gross value	**161,338**	**203,047**
of which related to leasing activity	154,320	179,325
of which accrued receivables and receivables unrelated to leasing activity	7,018	23,722
Allowances for trade receivables	**(85,849)**	**(54,515)**
of which related to leasing activity	(85,164)	(54,341)
of which unrelated to leasing activity	(685)	(174)
TRADE RECEIVABLES – NET	**75,489**	**148,532**

There was a €73 million year-on-year decrease in net trade receivables at 31 December 2021, This decrease is mainly due to the fall in gross unpaid rents as a result of improved collection in the second half of 2021. Various leases were renegotiated during the year, leading to revised agreements and helping to expedite collection.

The decrease is also attributable to a rise in monthly rent billed at 31 December 2021 in respect of January 2022 compared to rent billed at 31 December 2020 (€30 million impact).

The increase in allowances represents €31.3 million and reflects the increase in at-risk customers.

	2021				
	First-quarter	Second-quarter	Third-quarter	Fourth-quarter	Full-year
Gross collection rate (total amount invoiced)	78.0%	78.0%	92.4%	92.9%	85.4%
Rent waiver/Covid-19 provision rate	16.7%	18.8%	5.5%	5.5%	11.6%
Outstanding to be collected	5.2%	3.2%	2.1%	1.6%	3.0%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Out of the total charges and rents invoiced in 2021, 85.4% had been collected at 31 December 2021, 11.6% had been waived or provisioned (and written off in the consolidated financial statements) and 3.0% are pending collection.

For the third and fourth quarters of 2021, Carmila's gross collection rate in France was 92.6%.

(in thousands of euros)	Accounting balance	not yet due	past due	<15 days	≥15 days <30 days	≥30 days <60 days	≥60 days <90 days	≥90 days <180 days	≥180 days <360 days	≥360 days	Total allowance
Spain	21,890	1,587	20,303	(1,593)	864	679	626	577	7,235	11,914	(18,588)
Italy	10,037	5,904	4,133	8	207	110	82	310	514	2,901	(3,416)
France	122,394	36,353	86,041	431	3,270	2,453	(1,223)	6,384	37,634	37,092	(63,160)
GROUP TOTAL	**154,320**	**43,843**	**110,477**	**(1,153)**	**4,341**	**3,241**	**(514)**	**7,271**	**45,383**	**51,907**	**(85,164)**

	Allowances for trade receivables (excluding VAT)
GROUP TOTAL	**(85,164)**

The aged balance does not include accrued receivables or receivables unrelated to the leasing activity.

Note 7.6 Other current assets

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Tax receivables	**19,659**	**37,431**
Corporate tax receivables	6,800	7,133
Other tax receivables	12,859	30,298
Financial receivables	**37,000**	**31,389**
Receivables related to investment properties	36,729	30,962
Derivative instruments – assets	71	121
Marketable securities – excl. money-market	200	306
Other receivables	**33,780**	**17,595**
Receivables from charges rebilled to tenants	11,433	11,049
Other miscellaneous receivables	22,692	6,426
Prepaid expenses	(345)	120
TOTAL OTHER RECEIVABLES – GROSS VALUE	**90,439**	**86,415**
Allowances for other receivables	0	0
OTHER CURRENT RECEIVABLES – NET	**90,439**	**86,415**

At 31 December 2021, tax receivables included €3.5 million in tax reductions granted by the French government in return for rent relief afforded to tenants due to the November 2020 lockdown.

Financial receivables relating to equity investments mainly consist of the Group's loans to equity-accounted companies (As Cancelas for €9,700 thousand and Carmila Thiene for €5,126 thousand), and to advances by Carmila Retail Development to non-controlling interests in which the company has an equity stake for €21,224 thousand.

Other miscellaneous receivables mainly include the credit note receivable relating to the Nice off-plan acquisition in the amount of €21 million.

Note 7.7 Net cash

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Cash	238,268	180,228
Cash equivalents	-	140,035
Cash and cash equivalents	**238,268**	**320,263**
Bank facilities	(82)	(8,934)
NET CASH	**238,186**	**311,329**

In 2020, cash equivalents included a €140 million term deposit maturing in September 2021 (€40 million) and November 2021 (€100 million).

The change in the Group's net cash position is detailed in Note 6.1.3 "Consolidated statement of cash flows".

Note 7.8 Equity

Note 7.8.1 Share capital and premiums on Carmila's capital

(in thousands of euros)	Number of shares	Share capital	Issuance premium	Merger premium
At 1 January 2021	142,616,879	855,701	548,637	1,491,181
Dividend – GM of 18 May 2021	3,826,562	22,959	25,064	(74,168)
Share option	(85,623)	(514)	514	
New shares issued	144,647	868	(868)	
Cancellation of treasury shares	(604,297)	(3,626)	(4,374)	
AT 31 DECEMBER 2021	**145,898,168**	**875,389**	**568,973**	**1,417,013**

At 31 December 2021, the share capital was made up of 145,898,168 shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital comprises 145,614,215 A Shares, 139,306 C Shares, and 144,647 D Shares.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020, representing a total payout of €142,389 thousand. A total of €74,245 thousand was charged against the merger premium and €68,144 thousand against consolidated retained earnings available for distribution. Shareholders were offered the option to receive the dividend payment in shares. In all, in June 2021, €94,238 thousand was paid in cash and €48,023 thousand was paid in shares, resulting in the issuance of 3,826,562 A Shares with a value of €12.55 per share.

In accordance with the terms and conditions of the plan dated 16 May 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 16 May 2021, leading to the conversion of 112,611 B Shares into 31,850 A Shares issued on 9 June 2021. This capital decrease was charged against issuance premiums for €485 thousand.

The D Shares were issued on 29 June 2021 as part of Carmila's preference share allotment plan for key employees and corporate officers. This capital increase was charged against issuance premiums for €868 thousand.

In accordance with the terms and conditions of the plan dated 24 October 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 24 October 2021, leading to the conversion of 7,537 B Shares into 2,675 A Shares issued on 16 November 2021. This capital decrease was charged against issuance premiums for €29 thousand.

Carmila bought back 604,297 shares under the share buyback programme launched on 6 September 2021. These shares were cancelled on 1 December 2021, further to the decision of the Board of Directors on 28 July 2021 to reduce the Company's capital.

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

Note 7.8.2 Distribution of issuance premiums and capital increases

For more details on the distribution of issuance premiums, see Note 1.3 "Dividend".

For more details on corporate actions, see Note 7.8.1 "Equity" above.

Note 7.8.3 Treasury stock

Treasury stock is deducted from consolidated shareholders' equity at its acquisition cost. Any gains or losses on the sale of treasury stock (together with the related tax effects) are taken directly to shareholders' equity and not to net income

for the period. The Company entered into a liquidity agreement following its listing on Euronext Paris. At 31 December 2021, the Company held a total of 161,951 Carmila shares including the shares held as part of the liquidity agreement and the shares held in view of being used in free share plans.

Note 7.8.4 Earnings per share

Earnings per share are calculated by dividing earnings attributable to holders of the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the period. Treasury stock is not considered as shares in issue and is therefore deducted from the number of shares used to calculate earnings per share.

Fully diluted earnings per share are determined by adjusting earnings attributable to holders of ordinary shares and the weighted average number of ordinary shares in issue to include the effects of all potentially dilutive financial instruments as well as potential shares, in particular those linked to free share plans.

(in thousands of euros)	2021	2020
Net income (loss)	**192,336**	**(198,286)**
Consolidated net income (loss) attributable to non-controlling interests	215	469
NUMERATOR		
Consolidated net income (loss) attributable to owners of the parent	192,121	(198,755)
Average number of shares outstanding	144,250,286	140,198,573
Number of free and preference shares outstanding at 31 December 2021	268,592	405,201
DENOMINATOR		
Average number of shares (fully diluted)	144,518,878	140,603,774
EARNINGS PER SHARE (IN EUROS)	**1.33**	**(1.42)**
DILUTED EARNINGS PER SHARE (IN EUROS)	**1.33**	**(1.41)**

Note 7.9 Provisions

ACCOUNTING POLICIES

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are recognised when, at the reporting date, the Group has a present legal or constructive obligation arising from a past event, the amount of which can be reliably estimated and the settlement of which is likely to require the outflow of resources representing economic benefits. This obligation may be of a legal, regulatory or contractual nature, or it may be implicit. These provisions are estimated for each category based on the most likely assumptions. Amounts are discounted when the impact of discounting is material.

(in thousands of euros)	31 Dec. 2020	Additions	Reversal	Reclassification	Actuarial adjustments (OCI)	Other movements	31 Dec. 2021
Other provisions for contingencies and charges	5,961	1,267	(1,937)	1,102	-	-	6,393
Provisions for contingencies and charges	**5,961**	**1,267**	**(1,937)**	**1,102**	**-**	**-**	**6,393**
Provision for pensions and retirement benefits	771	108	(41)	-	(77)	(287)	474
Provisions for charges	771	108	(41)	-	(77)	(287)	474
TOTAL NON-CURRENT PROVISIONS	**6,732**	**1,375**	**(1,978)**	**1,102**	**(77)**	**(287)**	**6,867**

Provisions for contingencies and charges include all disputes and litigation with tenants and any other operating risks. The provisions were reviewed to better understand the facts and circumstances surrounding these disputes (talks in progress with possible renewal, etc.) and possible appeal proceedings (right of withdrawal).

Note 7.10 Trade and payables to suppliers of non-current assets

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Fixed assets payables	22,067	86,231
Miscellaneous trade payables	2,385	1,094
Trade payables and accrued invoices	18,599	26,679
TRADE AND FIXED ASSETS PAYABLES	**43,051**	**114,004**

Payables to suppliers of non-current assets relate to ongoing or completed restructuring or extension projects.

The decrease in payables to suppliers of non-current assets is mainly due to the delivery of Nice Lingostière for €57.2 million.

The decrease in invoices yet to be received mainly reflects fewer outstanding invoices for overheads in Spain and France.

Note 7.11 Other current liabilities

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Accrued tax and payroll liabilities	**54,179**	**56,004**
Tax liabilities (excluding corporate income tax)	41,370	43,315
Tax liabilities – corporate income tax	770	1,610
Social-security liabilities	12,039	11,079
Other liabilities	**53,399**	**95,620**
Other miscellaneous liabilities	17,229	29,071
Prepaid income	36,170	66,549
OTHER CURRENT LIABILITIES	**107,578**	**151,624**

The decrease in accrued tax and payroll liabilities is primarily due to the fall in euro-denominated VAT payable on cash inflows due to payments that were deferred at end-2020 owing to the health crisis. This decrease is offset by the 3% tax in Italy (€3.1 million) further to the asset revaluation and the increase in VAT to be paid on outstanding credit notes.

Other liabilities include the earn-out on a 2016 acquisition, expected to be paid in 2022 in an amount of €7.5 million. At 31 December 2020, other current liabilities also include:

- prepaid income in Italy for €7.6 million. At 31 December 2021, prepaid income in Italy is included on the "Prepaid income" line;
- current accounts for €5.7 million, notably with SCI de l'Arche and SCI des Pontots. At 31 December 2021, current account liabilities amount to €0.5 million.

Prepaid income breaks down as €31.5 million in France relating to billing in January 2022 or the first quarter of 2022, and €4.6 million in Italy relating to billing in the first quarter of 2022. The decrease in this item is due to the switch from quarterly to monthly billing.

Note 8 Breakdown of statement of income items

Note 8.1 Net rental income

ACCOUNTING POLICIES

Gross rental income

Gross rental income from operating leases is recognised on a straight-line basis over the entire term of the lease agreement.

Any benefits or incentives granted by a lessor when negotiating or renewing an operating lease should be recognised as an integral part of the consideration agreed for the use of the leased asset, regardless of the nature, form or payment date of those benefits:

- any step rents or rent-free periods granted are recorded by means of a reduction or increase in gross rental income spread over time. The reference period used is the initial non-cancellable lease term;
- any work undertaken on the tenant's behalf is depreciated on a straight-line basis over the term of the lease;
- when a lessor terminates a lease prior to the expiration date, eviction compensation is payable to the tenant. When the conditions are met, the compensation is recorded as a non-current asset (see Note 5 “Investment properties”);
- transfer compensation, i.e., compensation paid to a tenant in the event of relocation to other premises in the same building, may be spread over the term of the lease, or, if the building is being renovated, be included in the cost price of the asset;
- entry fees received by the lessor are recognised as additional rent. The front-end fee forms part of the net sum exchanged between the lessor and the tenant under the lease. Therefore, the accounting periods during which this net amount is recognised should not be affected by the form of the agreement and payment schedules. These fees are amortised over the initial non-cancellable term of the lease;
- tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties. Such penalties relate to the terminated lease and are recognised as income in the year in which they are received.

Charges rebilled to tenants

Service charge income is recognised as income in the period in which it is earned and corresponds to charges rebilled to tenants.

Real estate expenses

These correspond to fees paid (or the amortisation of initial payments) when the land is made available under a ground lease or concession agreement, as well as the expense related to land tax and rebilled land tax.

Non-recoverable service charges

These charges primarily represent charges arising from vacant premises and rebillable expenses not yet rebilled.

Property expenses (landlord)

These consist of service charges borne by the landlord, expenses related to works, legal costs, costs associated with bad debts (see Note 7.5 for a description of the impact of Covid-19), property management costs, temporary rent relief granted exceptionally to tenants in order to support its business as well as one-off commercial and marketing promotional campaigns undertaken on behalf of a tenant.

Net rental income is calculated based on the difference between gross rental income and these various expenses net of those rebilled.

(in thousands of euros)	2021	2020
Rent	351,797	349,805
Front-end fees and other indemnities	(7)	(61)
Gross rental income	**351,790**	**349,744**
Property tax	(23,916)	(23,510)
Charges rebilled to tenants	16,247	18,527
Real estate expenses	**(7,669)**	**(4,983)**
Rental charges	(71,069)	(71,177)
Charges rebilled to tenants	61,444	61,094
Non-recoverable service charges	**(9,625)**	**(10,083)**
Management fees	(43)	(691)
Charges rebilled to tenants	29	-
Losses and depreciation of receivables	(35,079)	(34,065)
Other expenses	(9,489)	(29,085)
Property expenses (landlord)	**(44,582)**	**(63,841)**
NET RENTAL INCOME	**289,914**	**270,837**

The change in "Other expenses" reflects the recognition of less significant Covid-19 impacts than in 2020, as described in Notes 8.1.1 and 8.1.2.

Note 8.1.1 Specific negotiations related to the health crisis

Owing to the health crisis, Carmila held negotiations with its tenants with a view to supporting them during this period and helping to safeguard their cash resources through rent relief.

In some cases, relief was granted with no concessions agreed by the tenant in return, directly in accordance with government measures. Other relief was granted with or without concessions by the tenant on a case-by-case basis, so as to find a situation beneficial to all parties concerned. Concessions granted by tenants in exchange for rent relief consisted mainly of extensions of the non-cancellable term of the lease or commitments to sign new leases.

Note 8.1.2 Accounting treatment applied to the impacts of the health crisis

The specific impacts of the health crisis are set out in the table below:

(in thousands of euros)	France	Spain	Italy	Group
2021 impact of the health crisis on income	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**
• of which rent waivers without concessions	(14,321)	(2,950)	(2,152)	(19,423)
• of which variable rent adjustments	766	0	0	766
• of which allowances for trade receivables	(14,414)	(3,821)	865	(17,370)
• of which IFRS 16 impact	(1,695)	(3,800)	0	(5,495)
• of which reversals of tax credits (Covid 2)	(463)	0	0	(463)
Income statement impact beyond 2021 (IFRS 16 impact: rent waivers to be deferred)	**(5,092)**	**(5,320)**	**0**	**(10,412)**
2021 IMPACT OF THE HEALTH CRISIS ON INCOME	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**
Impact (in months of rents)	1.2	1.2	0.6	1.2

(in thousands of euros)	France	Spain	Italy	Group
Impact on gross rental income	**(929)**	**(3,800)**	**0**	**(4,729)**
Variable rent adjustments	766	0	0	766
IFRS 16 impact (deferral of rent-free periods granted)	(1,695)	(3,800)	0	(5,495)
Impact on net rental income	**(29,198)**	**(6,771)**	**(1,287)**	**(37,256)**
Rent waivers without concessions	(14,321)	(2,950)	(2,152)	(19,423)
Allowances on receivables	(14,414)	(3,821)	865	(17,370)
Tax credit	(463)	0	0	(463)
TOTAL IMPACT IN 2021	**(30,127)**	**(10,571)**	**(1,287)**	**(41,985)**

For rent relief granted in exchange for an extension of the non-cancellable term of the lease (rent relief related to the first wave of the pandemic in first-half 2020), the impact of the relief is recognised over the non-cancellable term of the lease in question, in accordance with IFRS 16. The impact is recognised as a deduction from gross rental income, representing €5.5 million in 2021. A total of €10.4 million will be recognised over the next few periods.

The impact of other relief not resulting in an extension of the non-cancellable term of the lease is written off in full against net rental income in the 2021 financial statements, for an amount of €19.4 million.

The tax credit in France in connection with rent waivers granted during the second wave of Covid-19 was revised downwards by €0.5 million following the outcome of Covid-19-related rent negotiations.

Disputed receivables were written down in full in respect of 2021.

Note 8.1.3 Gross rental income and net rental income

GROSS RENTAL INCOME

	31 Dec. 2021		31 Dec. 2020
	Year-on-year change		
(in thousands of euros)	Gross rental income	reported	Gross rental income
France	241,992	1.2%	239,011
Spain	86,931	-2.0%	88,724
Italy	22,867	3.9%	22,009
TOTAL	**351,790**	**0.6%**	**349,744**

Gross rental income increased by 0.6% in 2021. The increase reflects the IFRS 16 impact of rent-free periods granted in connection with the health crisis in exchange for an extension in lease terms (€5.5 million positive impact in 2021). Rent-free periods granted with no concession by the tenant are recognised against net rental income.

NET RENTAL INCOME

	31 Dec. 2021				31 Dec. 2020
	Year-on-year change				
(in thousands of euros)	Net rental income	Like for like (specific Covid-19 impact)	Like for like (excl. specific Covid-19 impact)	reported	Net rental income
France	196,302	3.5%	0.9%	5.9%	185,340
Spain	73,771	4.5%	0.9%	3.9%	71,000
Italy	19,841	35.5%	1.6%	36.9%	14,497
TOTAL	**289,914**	**5.5%**	**1.0%**	**7.0%**	**270,837**

The projected collection rate for 2021, taking into account the impact of rent-free periods and provisions recognised in the year is 90%. This figure factors in all estimated Covid-19 impacts for 2021.

Net rental income totalled €290 million, up €19.1 million, or 7.0%, in 2021. This increase is attributable to the factors described below.

Changes linked to specific Covid-related impacts represented a €14.8 million (or 5.5%) increase in net rental income. Covid-19 impacts recognised in 2021 had a negative €42.0 million effect (negative €56.7 million effect in 2020), as detailed in the "Accounting treatment applied to the impacts of the health crisis" section.

Organic growth as adjusted for these specific impacts came out at 1.0%.

The share of indexation included in growth at constant scope is a positive 0.2%.

Growth generated by lease extensions represented €4.1 million, or 1.5%. The Nice Lingostière extension delivered in May 2021 is included in this line.

Zero growth was generated by acquisitions in 2020, since no acquisitions were carried out in either 2020 or 2021.

The sale of Nanteuil-les-Meaux, completed on 23 June 2021, had a negative €0.2 million (negative 0.1%) impact.

Other impacts reduced net rental income by €2.2 million, or 0.8%. These other impacts notably include the impact of strategic vacancies which allow for restructuring and extension projects.

Note 8.1.4 Rent collection

	2021				
	First-quarter 2021	Second-quarter 2021	Third-quarter 2021	Fourth-quarter 2021	Full-year 2021
Gross collection rate (total amount invoiced)	78.0%	78.0%	92.4%	92.9%	85.4%
Rent waiver/Covid-19 provision rate	16.7%	18.8%	5.5%	5.5%	11.6%
Outstanding to be collected	5.2%	3.2%	2.1%	1.6%	3.0%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Out of the total charges and rents invoiced in 2021, 85.4% had been collected at 31 December 2021, 11.6% had been waived or provisioned (and written off in the consolidated financial statements) and 3.0% are pending collection.

For the third and fourth quarters of 2021, Carmila's gross collection rate in France was 93.5%.

Note 8.2 Overhead expenses

(in thousands of euros)	2021	2020
Income from property management, administration and other activities	11,505	10,267
Other income	3,322	255
Payroll expenses	(28,629)	(25,939)
Other external expenses	(37,965)	(35,532)
OVERHEAD EXPENSES	**(51,767)**	**(50,949)**

Overhead expenses edged up 1.6% (€0.8 million) in 2021 compared to the previous financial year.

In 2021, the allocation of income and expenses within each of the overhead expense accounts was changed; in 2020, "Other income" had been primarily included within "Other external expenses".

Note 8.2.1 Income from property management, administration and other activities, and other income from services

This item totalled €14.8 million in 2021, an increase of €4.3 million (40.1%) compared to 2020.

It can be broken down as follows:

- €5.9 million in rebilled shopping centre management costs (versus €5.3 million in 2020) due to higher levels of re-invoicing by Spanish centre managers further to their inclusion in Carmila's workforce;
- fees, including technical and marketing fees for €5.6 million, up €0.6 million on 2020.

"Other income" mainly consists of:

- marketing services aimed at developing and increasing the attractiveness of the centres (retailers' associations) for €2.9 million. In 2020, this item was presented as a deduction from other external expenses for €1.7 million.

Note 8.2.2 Payroll expenses

Payroll expenses amounted to €28.6 million in 2021. The €2.7 million increase in this item is mainly due to a €1.0 million scope effect following the induction of shopping centre directors into the Spanish workforce (offset by amounts rebilled), €1.0 million in non-recurring income in 2020 related to services provided, and a €0.7 million increase in payroll expenses.

Note 8.2.3 Other external expenses

Other external expenses totalled €38.0 million in 2021, up 6.8% (€2.4 million). This increase is mainly due to a presentation effect (see Note 8.2.1): in 2020, this item also included other income for €1.7 million.

The main components of other external expenses are marketing expenses, as well as appraisal fees for the asset portfolio, legal and tax fees, auditors' fees, financial communication and advertising fees, travel expenses and other mission-related expenses.

Note 8.3 Depreciation, amortisation, provisions and impairment

(in thousands of euros)	2021	2020
Additions to depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,503)	(1,937)
Reversals from/additions to provisions for provisions for contingencies and charges and current assets	258	(912)
ADDITIONS TO DEPRECIATION/AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, AND PROVISIONS	**(1,245)**	**(2,849)**

Depreciation, amortisation and impairment mainly concern software and fixtures and fittings in the Group's office buildings.

Net additions to provisions for contingencies and charges mainly concern property disputes with tenants, impairment of current assets, and potential tax disputes in France.

There were no material changes during the year.

Note 8.4 Gains and losses on disposals of investment properties and equity investments sold

The €38 thousand gain on the disposal of investment properties relates to the sale of the Nanteuil les Meaux retail park.

There were no other significant disposals during the period.

Note 9 Income tax

ACCOUNTING POLICIES

The Group companies are subject to the tax laws that apply in the countries in which they operate. Income tax is calculated according to local rules and rates.

In France, the Group benefits from the specific SIIC tax regime for French real estate investment trusts.

The Group's subsidiaries in Italy are subject to ordinary taxation in their respective jurisdictions.

Effective 1 January 2020, the Group's Spanish companies are eligible for the SOCIMI tax regime applicable to real estate investment trusts (REITs).

Effective 31 December 2021, Carmila Puerto and Carmila Cordoba opted out of, and therefore are no longer eligible for, the SOCIMI regime.

French tax regime for listed real estate investment firms

On 1 June 2014, Carmila and its French subsidiaries subject to corporate income tax opted for the SIIC regime (French REIT) as of that date.

Characteristics of the regime

The specific corporate tax exemption regime for SIICs is an option for companies listed on a French stock market with share capital of at least €15 million, whose main corporate purpose is the acquisition or construction of properties for leasing purposes or the direct or indirect holding of equity investments in legal entities with the same corporate objective. This option cannot be revoked. Subsidiaries subject to corporate income tax may also opt for the regime if at least 95% of their share capital is held by a company having opted for the SIIC regime.

In exchange for the exemption, these listed real estate investment firms are required to distribute 95% of their rental income, 70% of their capital gains on disposals and 100% of the dividends received from their SIIC subsidiaries. The distribution requirement related to capital gains has been set at 70% since 1 January 2019.

The option of the SIIC regime entails immediate liability for an exit tax at a rate of 19% on unrealised capital gains relating to properties and shares in partnerships not subject to income tax. The exit tax is payable over a four-year period starting when the entity concerned opts for SIIC status.

Discounting of the exit tax liability

The exit tax liability is discounted according to its payment schedule. The liability initially recognised in the statement of financial position is discounted, and an interest expense is recorded at the end of each reporting period in other financial expenses, enabling the liability to be reduced to its net present value at the reporting date.

Income tax for companies not subject to the SIIC tax regime

Since its adoption of the SIIC regime on 1 June 2014, Carmila distinguishes between a SIIC segment that is exempt from tax on property-leasing transactions and capital gains on disposals and a segment subject to income tax for other activities.

Income tax for companies not subject to the SIIC regime in France and for foreign companies is calculated under the conditions of ordinary tax law. Financière Géric, which was previously liable for income tax, opted for the SIIC regime on 1 January 2017.

SOCIMI regime

Real estate income for SOCIMIs is subject to 0% corporate income tax (CIT), provided that the requirements of the SOCIMI regime are met. Unrealised capital gains recognised prior to entry into the SOCIMI regime are fixed and will be taxed when the corresponding asset is sold. Capital gains realised after election for the SOCIMI regime are exempt from capital gains tax provided that the distribution criteria are met.

Companies opting for the SOCIMI tax regime are required to make the following minimum distributions:

- 80% of the profits resulting from the leasing of real estate and ancillary activities; and
- 50% of the profits resulting from the transfer of properties and shares linked to the Company's business, provided that the remaining profits are reinvested in other real estate properties or equity investments within a maximum period of three years from the date of the transfer. Failing this, 100% of the profits must be distributed as dividends once this period has elapsed.

Spanish SOCIMIs are subject to a special 19% withholding tax on dividend distributions unless it can be proven that shareholders with an ownership interest of 5% or more are subject to tax at a minimum rate of 10%.

Ordinary-law arrangements and deferred tax

Current income tax expense is determined on the basis of tax rules and tax rates enacted or substantively enacted at the reporting date in each country during the period to which the profits relate.

The income tax payable as well as the tax on future income are offset when they originate within the same tax group, fall within the responsibility of the same tax authority, and there is a legal right to offset.

Deferred taxes are recognised when there are temporary differences between the carrying amounts of assets and liabilities and their tax base that give rise to taxable income in future periods.

After being offset against existing tax liabilities, the residual deferred tax assets are recognised if it is probable that the company concerned will have future taxable profits against which these deferred tax assets can be utilised.

Deferred tax assets and liabilities are measured using the liability method at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax rules and tax rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities should reflect the tax impact of the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities at the reporting date.

Deferred tax is calculated at the local tax rates approved at the reporting date. The rates applied at 31 December 2021 are 28% in Italy and 25% in Spain.

In France, the 2021 Finance Act maintained the social contribution at 3.3%, applicable to the proportion of tax exceeding €763 thousand, but introduced a progressive reduction in the income tax rate, from 33.33% to 25% by 2022. The theoretical tax rate of 26.5% used in the tax reconciliation tables reflects the tax rate applicable in 2021 to companies with revenues of less than €250 million, excluding the 3.3% social contribution, which was not used by the Group owing to the absence of income tax expense for French companies.

Note 9.1 Income tax benefit

(in thousands of euros)	2021	2020
Deferred tax	36,613	(8)
Withholding tax	-	(85)
Current tax	(4,779)	289
INCOME TAX CHARGE	**31,834**	**196**

Deferred tax benefit amounts to €36.6 million and corresponds mainly to the reversal of tax in Italy for €39.3 thousand after Carmila opted to revalue its assets in the local accounts, thereby eliminating the difference between the value for tax purposes and the actual value of the assets. This reversal is partially offset by a €1,460 thousand deferred tax liability arising on changes in the fair value of the assets of Carmila Puerto and Carmila Cordoba following their exit from the SOCIMI regime and temporary differences amounting to €1,258 thousand.

With the exception of Carmila Puerto and Carmila Cordoba, the Group's Spanish entities are exempt from income tax owing to their election for the SOCIMI tax regime as of 1 January 2020. Except for the aforementioned two entities, no deferred tax was therefore recognised on changes in the fair value of Spanish and French assets, which respectively fall within the scope of the SOCIMI and SIIC tax regimes for real estate investment firms.

The Group's current tax expense is €4.8 million. This includes the 3% tax on the asset revaluation in Italy for €4.7 million, payable in three instalments (2021, 2022 and 2023).

Note 9.2 Tax reconciliation

The reconciliation of the effective tax expense with the theoretical tax expense is as follows:

(in thousands of euros)	2021	2020
Consolidated net income (loss)	192,336	(198,286)
Income tax benefit (expense)	31,834	196
Share of net income of equity-accounted companies	**3,068**	**(3,189)**
Net income before taxes and excluding equity-accounted companies' net income	157,434	(195,292)
Standard tax rate applicable to the parent company	26.50%	28.00%
THEORETICAL INCOME TAX (EXPENSE) BENEFIT	**(41,720)**	**54,682**
Tax exempt income resulting from the SIIC regime	28,986	(41,524)
Tax exempt income resulting from the SOCIMI regime	13,987	(10,662)
Temporary differences	38,831	-
Share of expenses on dividends	(66)	-
Permanent differences	2,882	314
Taxes other than on income	(6,313)	487
Impact of difference in tax rates	(139)	-
Difference in earnings	0	-
Tax loss without deferred tax recognition	(4,614)	(3,100)
EFFECTIVE TAX (EXPENSE) BENEFIT	**31,834**	**196**
EFFECTIVE TAX RATE	**-20.22%**	**0.10%**

Note 9.3 Current tax assets and liabilities

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Tax credits	6,800	7,133
TOTAL TAX ASSETS	**6,800**	**7,133**
Tax liabilities – non-current	0	0
Tax liabilities – current	728	1,568
Liabilities related to tax consolidation	42	42
TOTAL TAX LIABILITIES	**770**	**1,610**

At 31 December 2021, tax receivables related to France for €4.3 million (including €3.5 million in tax reductions granted by the government in exchange for rent relief afforded to tenants owing to the November 2020 lockdown) and to Italy for €2,424 thousand (tax prepayments).

The tax liability relates to €728 thousand in income tax payable in France. In 2020, this item consisted mainly of VAT payable in Italy.

Note 9.4 Deferred tax assets and liabilities

(in thousands of euros)	2020	Profit and loss impact	2021
Deferred tax assets	11,113	(1,258)	9,855
Deferred tax liabilities	(177,316)	37,871	(139,445)
NET BALANCE OF DEFERRED TAX	**(166,203)**	**36,613**	**(129,590)**
BREAKDOWN OF DIFFERED TAX BY CATEGORY			
Properties	(177,316)	37,871	(139,445)
Tax losses	8,935	-	8,935
Other items	2,178	(1,258)	920
NET BALANCE OF DEFERRED TAX	**(166,203)**	**36,613**	**(129,590)**

Note 10 Off-balance sheet commitments and associated risks

ACCOUNTING POLICIES

Off-balance sheet commitment

An off-balance sheet commitment can be any transaction or agreement between a company and one or several entities which is not recorded on the statement of financial position. Off-balance sheet commitments may be given or received, or may be reciprocal commitments, and represent risks and rewards which can be useful for assessing the Group's financial position.

Contingent liabilities

A contingent liability is a potential obligation for the entity to a third party resulting from an event whose existence will only be confirmed by the occurrence or non-occurrence of one or several future uncertain events that are outside the entity's control.

Note 10.1 Contingent liabilities

At 31 December 2021, there were no material disputes other than those already recognised in the consolidated financial statements.

Note 10.2 Commitments received

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Unused credit facilities	810,000	759,000
Commitments related to Group financing	**810,000**	**759,000**
Bank guarantees received from tenants	21,825	29,185
Commitments related to Group operating activities	**22,053**	**29,185**
TOTAL COMMITMENTS RECEIVED	**832,053**	**788,185**

Note 10.2.1 Undrawn committed credit facilities

The Group finances itself through equity and borrowings contracted by the parent company. At 31 December 2021, the Group had two credit facilities for €270 million and €540 million, set up as part of its refinancing programme in October 2021. This facility was not drawn down during the year.

Note 10.2.2 Bank guarantees received from tenants

Within the scope of its business of managing shopping centres, certain leases provide for the lessor to receive a first-demand bank guarantee securing the sums owed by the tenants.

Note 10.2.3 Other guarantees received – vendor warranties

In the context of its acquisition of Italian assets, Carmila Italia received a reassessment notice from the tax authorities. This tax risk is covered by a vendor warranty. The amount of the reassessment was paid by the seller to the tax authorities as a precautionary measure.

Note 10.3 Commitments given

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Commitments to complete works	1,687	12,241
Rental guarantees and deposits	4,937	11,376
Commitments related to Group operating activities	6,624	23,617
TOTAL COMMITMENTS GIVEN	**6,624**	**23,617**

Note 10.3.1 Commitments subject to conditions precedent

Commitments subject to conditions precedent are undertakings to purchase land, assets or securities and earn-out payments for previous acquisitions, some of which are not sufficiently certain to be recognised in the financial statements.

At 31 December 2021, the Group had not signed any purchase commitments.

Note 10.3.2 Works-related commitments

Works-related commitments correspond to works approved by the Investment Committee and/or already under contract, and not recognised on the statement of financial position. At 31 December 2021, they chiefly related to the outstanding portion of the Nice Lingostière extension (off-plan acquisition).

Note 10.3.3 Rental guarantees and deposits

This item mainly includes guarantees covering the operating premises of the Group and its subsidiaries. Since 2018, it also includes a guarantee given to the tax authorities by the Italian subsidiaries regarding the application of its consolidated VAT regime.

Note 10.3.4 Commitments given on swaps

At 31 December 2021, the Group had not entered into any swaps or other derivatives pending execution/application which were not recognised in its financial statements at that date.

Note 10.4 Reciprocal commitments

None.

To the best of our knowledge, we have reported all off-balance sheet commitments that are material or that may become material in the future as determined by applicable accounting standards.

Note 11 Related-party transactions

On 1 January 2021, the Carrefour group and Carmila signed agreements regarding functions or services to be performed by Carrefour on Carmila's behalf. The term of these agreements was set at five years, i.e., until 31 December 2025.

Carrefour and Carmila have also signed an agreement for the renovation and development of Carmila's assets.

There were no substantial changes in related party transactions during the reporting period.

(in thousands of euros)	2021	2020
Personnel secondment agreement	412	671
Exclusive mandate – Carrefour Property Gestion	6,494	7,555
Lease and asset management		
Service agreement – Carrefour Administratif France	802	802
Services in the field of insurance management, legal (both corporate and litigations), tax, accounting, treasury back-office, payroll		
Service agreement – Carrefour SA	122	-
Accounting, tax, legal assistance, insurance management		
Service agreement – CPF Asset Management	1,845	556
Legal real estate services, human resources, management accounting, janitor services		
TOTAL BILLED TO CARMILA AND SUBSIDIARIES IN FRANCE	**9,675**	**9,584**
Shopping mall management mandates with Carrefour Property Gestion	(5,075)	(4,944)
Agreement billed by Almia Management		
Rebilling of personnel secondment	(80)	(373)
New extension or other development lease negotiation fees	(1,130)	
Fees billed by Almia Management		
TOTAL BILLED BY CARMILA IN FRANCE	**(6,285)**	**(5,317)**
TOTAL NET AMOUNT INVOICED TO CARMILA – FRANCE (EXPENSE)	**3,389**	**4,267**

(in thousands of euros)	2021	2020
Exclusive mandate – Carrefour Property España	1,376	2,158
Lease management		
Service agreement – Centros Comerciales Carrefour	700	668
Insurance, legal assistance, tax, accounting, cash management, IT, payroll, janitor services		
Service agreement – Carrefour Property España	1,038	302
Legal real estate services, management, human resources		
Marketing of Specialty Leasing		33
Assistance with lease negotiations and Specialty Leasing provided by managers of the 11 shopping centres managed by Carrefour Property		
TOTAL CHARGED TO CARMILA IN SPAIN	**3,114**	**3,161**
Exclusive mandate – Carrefour Property España, Carrefour Norte, Carrefour Navarra and third parties	(779)	(173)
Asset management		
Exclusive mandates – Carrefour Property España, Carrefour Navarra, Carrefour Norte and third parties	(300)	(262)
Marketing of premises in shopping malls	(100)	(147)
Marketing of leasable areas comprised within common areas	(200)	(115)
TOTAL INVOICED BY CARMILA IN SPAIN	**(1,079)**	**(435)**
TOTAL NET AMOUNT INVOICED TO CARMILA – SPAIN (EXPENSE)	**2,035**	**2,726**

(in thousands of euros)	2021	2020
Service contract with GS S.p.A.	481	498
Legal assistance, tax, accounting, technical maintenance		
Service contract with Carrefour Property Italia S.r.l.	212	214
Management accounting, project investment, janitor services		
Cash Management Service contract with Carrefour Italia Finance S.r.l.	50	50
Exclusive mandate with Carrefour Property Italia S.r.l.	200	200
Fees paid to consorzi (consortia) for leasing services and management of temporary rents	241	175
Rebilling of operating costs (power, energy, security, etc.) rebilled to tenants	3,738	3,547
TOTAL AMOUNT INVOICED TO CARMILA – ITALY (EXPENSE)	**4,922**	**4,684**

Note 12 Compensation and employee benefits

Note 12.1 Payroll expenses

See Note 8.2.3.

Note 12.2 Headcount

At 31 December 2021, the Carmila Group had 229 employees, including 149 in France employed by its Almia Management subsidiary, 65 in Spain and 15 in Italy (excluding apprentices).

Note 12.3 Employee benefits

Employees receive benefits during their employment (paid leave, sick leave, profit-sharing, long-service awards, etc.) and defined-benefit or defined-contribution post-employment benefits (end-of-service indemnities, pension benefits, etc.).

Note 12.3.1 Pension plans

ACCOUNTING POLICIES

Defined-contribution schemes

Defined-contribution schemes are schemes whereby the company makes periodic fixed contributions to external organisations that provide administrative and financial management. Under these schemes, the employer has no further obligations; the organisation is responsible for paying employees the amounts owed to them under statutory social security pension schemes in France, supplementary pension schemes and defined-contribution pension funds.

These contributions are recognised as expenses when they fall due.

Defined-benefit schemes and long-term benefits

Carmila recognises provisions for various defined-benefit schemes that depend upon individuals' accumulated years of service within the Group.

The actuarial method used to measure the obligation is a prospective method based on projected end-of-career salaries and calculates vested entitlement based on years of service. This method complies with the requirements of IAS 19. The calculations are made by a qualified actuary.

For each active participant, the benefit likely to be paid is estimated based on the rules defined in the collective bargaining agreement or schedule in force and on personal data projected to the standard age for payment of the benefit. The Company's total obligation with regard to each participant (actuarial value of future benefits) is then calculated by multiplying the estimated benefit by an actuarial factor, which takes into account the following:

- assumptions concerning the probability that the employee will leave the company or will pass away before the age at which the benefit is due;
- the discounted value of the benefit at the valuation date.

The total cost of the obligation is then allocated over each of the past and future financial years for which the participant accrued rights under the pension scheme.

- the share of this total cost allocated to financial years prior to the valuation date (actuarial liability or amount of the obligation) corresponds to the entity's obligations for services rendered (past service cost). The actuarial liability reflects the amount due for the total obligation indicated on the statement of financial position;
- the share of the total cost allocated to the financial year after the valuation date (service cost) represents the likely increase in obligations as a result of the additional year of service that the participant will have completed at the end of that year. Expenses related to service cost are recorded as appropriate either under operating income or under other financial income and expenses for the portion relating to the interest cost.

In accordance with IAS 19, actuarial gains and losses resulting from a change in assumptions are included within "Other comprehensive income".

Under this method, the value of the benefit obligation or actuarial liability at the valuation date is obtained by allocating the total cost of the plan, or present value of future benefits, on a straight-line basis over the period between the date the participant joined the Group and his or her retirement date.

The discount rate reflects the expected yield at the reporting date on investment-grade (AA) eurozone bonds with a maturity equal to the maturity of the benefit obligation (based on the yield on iBoxx Euro AA corporate bonds maturing in 10 years or more).

At 31 December 2021, the Group applied the following main actuarial assumptions:

- discount rate: 1.10% (versus 0.75% at 31 December 2020);
- salary increase rate: 2% (unchanged from 2020).

Note 12.3.2 Share-based payments

ACCOUNTING POLICIES

The Group applies the provisions of IFRS 2 – Share-based Payment. The fair value of share-based payment rights allocated to employees is determined at the allocation date, and is recorded within payroll expenses over the vesting period against an increase in shareholders' equity. The amount recognised as an expense is adjusted to reflect the number of rights for which it is estimated that the non-market performance and service conditions will be met. The expense ultimately recognised is based on the actual number of rights that fulfil the non-market performance and service conditions at the vesting date. For share-based payment rights subject to other conditions, fair value as determined at the allocation date reflects these conditions. The difference between the initial estimate and the actual cost does not give rise to any subsequent adjustments.

Under IFRS 2.11, equity instruments allocated must be measured at their fair value at the allocation date using an option pricing model. The Black & Scholes and Monte-Carlo models were used to simulate the fair value of each of the instruments.

The Group has seven free share plans for corporate officers and key employees in France, Spain and Italy. The cost of these plans is recognised over the vesting period (period of employment to be completed by the beneficiaries before they are able to exercise the options allocated).

The plan granted in 2018 (plan 4) matured on 16 May 2021 and resulted in the allocation of 31,850 free shares to key employees and corporate officers following the conversion of B Shares into A Shares. The second instalment of the 2018 plan (plan 4) matured on 24 October 2021 and resulted in the allocation of 2,675 free shares.

The plans in effect at 31 December 2021, allocated in 2019, 2020 and 2021, were as follows:

- In 2019, the preference share plan incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2021 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the percentage of environmental certifications in the portfolio at end-2021;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2021 versus a panel of comparable companies.
- In 2020, a new preference share plan was approved in June 2020 and incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2022 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2022;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2022 versus a panel of comparable companies.
- A new free share plan was approved in May 2021 and also incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2023 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2023;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2023 versus a panel of comparable companies.

The benefits allocated are recognised over the vesting period, as payroll expenses for €1,505 thousand against a corresponding increase in shareholders' equity of €1,254 thousand (offset in equity by the shares delivered during the period) and as accrued social security liabilities (20% and 30% payroll taxes) for €251 thousand.

Summary of the plans	Plan 4		Plan 5		Plan 6		Plan 7	
	France	Outside France	France	Outside France	France	Outside France	France	Outside France
Date of General Meeting	16/05/2018		16/05/2018		16/05/2019		29/06/2020	
Date of allocation	16/05/2018		24/10/2018		16/05/2019		29/06/2020	
End of vesting period	Tranche 1 – 20%: 16/05/2019 Tranche 2 – 20%: 16/05/2020 Tranche 3 – 60%: 16/05/2021		Tranche 1 – 20%: 24/10/2019 Tranche 2 – 20%: 24/10/2020 Tranche 3 – 60%: 24/10/2021		Tranche 1 – 20%: 14/05/2020 Tranche 2 – 20%: 14/05/2021 Tranche 3 – 60%: 14/05/2022		Tranche 1 – 20%: 29/06/2021 Tranche 2 – 20%: 29/06/2022 Tranche 3 – 60%: 29/06/2023	
End of holding period	16/05/2021		24/10/2021		16/05/2022		29/06/2023	
Service condition	Service condition influences the conversion ratio of B Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of B Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of C Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of D Shares into A Shares, by tranches as described over the vesting period	
Performance condition	Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**108,888**	**16,858**	**7,537**	**0**	**121,806**	**23,100**	**117,247**	**27,400**
Shares cancelled/ forfeited	(13,135)				(15,580)		(2,720)	
Shares cancelled/ achievement rate – Conversion into A shares	(69,888)	(10,873)	(4,862)					
Shares vested	(25,865)	(5,985)	(2,675)					
OUTSTANDING SHARES AT 31 DECEMBER 2021	**0**	**0**	**0**	**0**	**106,226**	**23,100**	**114,527**	**27,400**

Summary of the plans	Plan 8	
	France	Outside France
Date of General Meeting	18/05/2021	
Date of allocation	18/05/2021	
End of vesting period	18/05/2024	
End of holding period	18/05/2024	
Service condition	Service condition influences vesting	
Performance condition	Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Share allocation right	**188,938**	**50,000**
Rights to shares cancelled/forfeited	(8,300)	
OUTSTANDING RIGHTS TO SHARES AT 31 DECEMBER 2021	**180,638**	**50,000**

Note 13 Additional information

Note 13.1 Subsequent events

None.

Note 13.2 Statutory Auditors' fees

	KPMG				Deloitte				Other				Total	
	Statutory Auditors		Network		Statutory Auditors		Network		Statutory Auditors		Network		Statutory Auditors	Network
(in thousands of euros)	2021	%	2021	%	2021	%	2021	%	2021	%	2021	%	2021	2021
Audit of statutory and consolidated financial statements and half-year review	**364**	**84%**	**-**	**0%**	**182**	**88%**	**249**	**0%**	**44**	**0%**	**-**	**0%**	**589**	**249**
Carmila SA	99	23%	-	0%	99	48%	-	0%	-	0%	-	0%	197	-
Consolidated subsidiaries	265	62%	-	0%	83	40%	249	0%	44	0%	-	0%	392	249
Non-audit services	**67**	**16%**	**-**	**0%**	**25**	**12%**	**-**	**0%**	**-**	**0%**	**-**	**0%**	**92**	**-**
Carmila SA[1]	60	14%	-	0%	25	12%	-	0%		0%	-	0%	85	-
Consolidated subsidiaries	7	2%	-	0%	-	0%	-	0%		0%	-	0%	7	-
TOTAL FEES	**431**	**100%**	**-**	**0%**	**207**	**100%**	**249**	**0%**	**44**	**0%**	**-**	**0%**	**681**	**249**

(1) *In 2021, these fees are mainly related to services rendered in connection with the issuance of bonds (comfort letter) and the review of the CSR information.*

Note 13.3 List of consolidated companies

List of consolidated companies Consolidated companies	Country	% interest 2021	2020	Change	% control 2021	2020	Change
FRANCE							
Carmila SA	**France**	**100.00%**	**100.00%**	**-**	**100.00%**	**100.00%**	**-**
Carmila France SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Almia Management SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI du Centre Commercial de Lescar	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI de l'Arche	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI des Pontots	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Anglet	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Coquelles	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Labège	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Orléans	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Bourges	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Sothima	France	100.00%	100.00%	-	100.00%	100.00%	-
Hyparmo Sarl	France	100.00%	100.00%	-	100.00%	100.00%	-
Bay1Bay2 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Financière Géric SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Louwifi SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Crèche sur Saone SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Evreux SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Retail Development	France	100.00%	100.00%	-	100.00%	100.00%	-
KC11 SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Best of the Web SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Saran SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Nice SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Next Tower	France	100.00%	100.00%	-	100.00%	100.00%	-
SPAIN							
Carmila España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Talavera SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Huelva SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Mallorca SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Puerto SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Cordoba SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
ITALY							
Carmila Holding Italia SRL	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Italia SRL	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Milano Nord SRL	Italy	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies Equity-accounted companies	Country	% interest 2021	2020	Change	% control 2021	2020	Change
As Cancelas	Spain	50.00%	50.00%	-	50.00%	50.00%	-
Carmila Thiene SRL	Italy	50.10%	50.10%	-	50.10%	50.10%	-

6.2 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2021

To the Carmila SA Shareholders' Annual General Meeting

Opinion

In compliance with the engagement entrusted to us by the Shareholders' meeting, we have audited the accompanying financial statements of Carmila S.A. for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Key Audit Matters	Responses as part of our audit
Valuation of investment properties at fair value (Note 5 to the consolidated financial statements) As of 31 December 2021, investment properties measured at fair value are recorded on the balance sheet for a net carrying amount of €5,846 million compared to an amount of total assets of €6,371 million. As indicated in Note 5 to the consolidated financial statements, in application of the method proposed by IAS 40, Investment properties are recorded at fair value. Fair value is determined on the basis of findings by independent experts. All the property assets are appraised twice a year by experts. They independently establish their current and future cash flow estimates by applying risk factors (such as location, retail competition, etc.) either to the net income capitalisation rate or to the discounted cash flows. In order to conduct their work, the experts visited the property assets and have access to all the information needed to value the assets, and specifically the list of leases, the vacancy rate, rental arrangements and the main aggregates on lessees (such as sales). The valuation of investment properties, which are the main portion of the total assets, is considered to be a key audit matter due to: • the use of assumptions and significant estimates by Management and independent experts, such as the market rental values, the discount and capitalisation rates; • the sensitivity of these values to assumptions adopted by the experts.	We have assessed the compliance of the accounting treatment applied by the Group to IFRS accounting principles and the pertinence of the disclosures presented in Note 5 to the consolidated financial statements. The procedures that we have performed mainly consisted in: • Reviewing the investment property valuation process and controls implemented by the Management, notably regarding approval and transmission of information to experts and the review of their work and conclusions; • Conducting interviews with independent appraisers and Management to assess the pertinence of the valuation methodology and assumptions used, notably those used in this complex and evolving context of global crisis related to the Covid-19 pandemic; • Assessing the competence, independence and objectivity of the external appraisers of the Group, in particular about their reputation and by verifying their certificates of independence included as a statement in their reports; • Analysing the changes in fair value of each investment property and assessing the basis with respect to market changes and the rental situation of the building; • Verifying that the fair value methods used are in line with market practices, and assess, on a sample basis, the consistency of the valuation assumptions used by the independent experts with the market data available in the current context, particularly the market rental values, the discount and capitalisation rates; • Corroborating, on a sample basis, the main information provided by the company to independent experts with rental statements and investments; • Comparing investment property amounts in the consolidated financial statements with independent experts' valuation; • Assessing the appropriateness of the disclosures presented in the notes of the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that 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 (Code monétaire et financier), prepared under the responsibility of the President and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, 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.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed statutory auditors of Carmila S.A. by the Shareholders' Meeting of 25 June 2010 for KPMG and 25 June 2009 for Deloitte & Associés.

As at 31 December 2021, KPMG SA was in its 12th year of uninterrupted engagement and Deloitte & Associés in its 13th year of uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 21 February 2022

The Statutory Auditors

KPMG SA		DELOITTE & ASSOCIÉS
Eric Ropert	Adrien Johner	Stephane Rimbeuf
Partner	*Partner*	*Partner*

6.3 Statutory financial statements at 31 December 2021

6.3.1 Income statement for the year ended 31 December 2021

(in thousands of euros)	Note	2021	2020
Net revenue			
Reversals of depreciation, amortisation and provisions, and expense transfers			46
Other income		315	539
Operating income	**6.1**	**315**	**585**
Other purchases and external charges	6.1.1	7,510	5,679
Taxes, duties and other levies	6.1.2	11	1
Additions to depreciation, amortisation and provisions	6.1.3	0	4
Other expenses		462	358
Operating expenses		**7,983**	**6,042**
Operating income (loss)		**(7,668)**	**(5,457)**
Income allocated or loss transferred			
Financial income		54,377	136,652
Financial expenses		56,249	57,185
Additions to impairment and provisions for financial assets		2,126	1,728
Net financial income (expense)	**6.2**	**(3,998)**	**77,739**
Recurring income (loss) before tax		**(11,666)**	**72,282**
Non-recurring income		421	324
Non-recurring expenses		185	830
Net non-recurring income (expense)	**6.3**	**236**	**(506)**
Income tax	6.4	0	85
NET INCOME (LOSS) FOR THE PERIOD		**(11,430)**	**71,691**

6.3.2 Balance sheet at 31 December 2021

6.3.2.1 Assets

(in thousands of euros)	Note	Gross amount at 31 Dec. 2021	Cumulative depreciation, amortisation and impairment	Net amount at 31 Dec. 2021	Net amount at 31 Dec. 2020
Uncalled subscribed share capital					
Intangible assets	4.1	0	0	0	0
Property, plant and equipment	4.1	1	0	1	1
Financial assets	4.2	5,319,716	44	5,319,672	5,321,922
Non-current assets		**5,319,717**	**44**	**5,319,673**	**5,321,923**
Trade receivables	4.3	1,671		1,671	2,014
Other receivables	4.3	13,058		13,058	15,972
Marketable securities	4.4				
Cash at bank and in hand	4.5	131,044		131,044	264,777
Prepaid expenses	4.6	6		6	137
Current assets		**145,780**	**0**	**145,780**	**282,900**
Bond redemption premiums		5,376		5,376	5,406
TOTAL ASSETS		**5,470,872**	**44**	**5,470,828**	**5,610,229**

6.3.2.2 Equity and liabilities

(in thousands of euros)	Note	31 Dec. 2021	31 Dec. 2020
Share capital		875,389	855,701
Issuance premium		568,973	548,637
Merger premium		1,417,013	1,491,181
Reserves		19,923	16,338
Retained earnings		56	23
Net income (loss) for the period		**(11,430)**	**71,691**
Shareholders' equity	**5.1**	**2,869,923**	**2,983,571**
Provisions for contingencies and charges	5.2	2,162	1,835
Provisions		**2,162**	**1,835**
Bonds and other financial liabilities	5.3	2,591,090	2,616,876
Trade payables	5.4	4,112	5,094
Other liabilities	5.5 & 5.6	3,352	2,793
Prepaid income		188	60
Liabilities		**2,598,743**	**2,624,823**
TOTAL EQUITY AND LIABILITIES		**5,470,828**	**5,610,229**

6.3.3 Notes to the statutory financial statements

Note 1 Company description

Carmila SA (hereinafter "the Company") was formed in March 1991. Its corporate purpose is to acquire or build properties for commercial use or for leasing in France and abroad, as well as to directly or indirectly hold interests in companies with the same corporate purpose. Carmila is a property company involved in managing and enhancing the value of shopping centres and retail parks anchored by stores belonging to, or operated directly or indirectly by, Carrefour.

The Company has opted for the "SIIC" regime for listed real estate investment firms in France as from 1 January 2015. As such, it must distribute 95% of its rental income and 70% of the capital gains on the disposals of properties as well as 100% of the dividends received from SIIC subsidiaries. The regime is considered to be a specific tax exemption status and not one that offers a lower rate of tax on distributed earnings. In return, the beneficiary is taxed on the distributed profits at the tax rate applicable to the beneficiary, without the possibility of applying the parent subsidiary allowance.

The Company's registered office is at 58, avenue Émile-Zola, 92100 Boulogne-Billancourt, France.

The statutory financial statements were approved by the Board of Directors on 16 February 2022 and will be submitted for the approval of the Annual General Meeting to be held on 12 May 2022.

Note 2 Highlights

Note 2.1 General context and Covid-19 health crisis

Carmila's shopping centres have continued to play a vital role for the public during this crisis. Carrefour hypermarkets have once again shown their fundamental and strategic importance in each of these three countries, while the local roots of Carmila's shopping centres have proved to be a significant asset.

In 2021, the three countries in which Carmila operates (France, Spain and Italy) were subject to various opening restrictions due to the health crisis.

Two distinct periods shaped 2021 for Carmila: the first half of the year saw the health crisis continue, due mainly to restrictions imposed on stores in shopping centres across France and in certain regions of Spain and Italy, while in the second half of the year, the situation gradually returned to normal.

The impact of the health crisis on Carmila's business was less marked in 2021 than in 2020, with shopping centre stores closed for less time than in the previous year (2.2 months on average in 2021, compared with 3.0 months in 2020).

From June onwards, all stores in Carmila centres were able to welcome back their customers, subject to compliance with various less stringent rules than at the beginning of the year. In the three countries where Carmila operates, a "health pass" or similar measure was introduced for some businesses, such as seated food service and cinemas. In France, several Carmila centres were subject to the health pass requirement for entry into shopping centres of more than 20,000 sq.m. in some *départements* in August and September. Lastly, in some regions in Spain, and notably Catalonia, capacity limits were introduced for restaurants and shopping centres.

In order to support its tenants amid the health crisis, negotiations were held on a case-by-case basis to determine the rent relief that could be granted.

Carmila proved its ability to secure attractive rates on bond markets irrespective of the Covid-19 pandemic, issuing a €300 million bond in April 2021 with maturity in May 2027 and a 1.625% coupon. Carmila's financial structure is robust, with a loan-to-value ratio including transfer taxes of 37.4%.

Note 2.2 Debt and financing

As part of its EMTN programme, Carmila issued a new €300 million eight-year bond on 25 March 2021 paying a coupon of 1.625%.

The bonds represent the Company's senior debt. They do not provide for guarantees or security. They are listed on the Euronext Paris bond market.

On 9 April 2021, Carmila repaid €300 million of this loan ahead of term, bringing the amount outstanding to €170 million at 31 December 2021 from €470 million at end-2020.

Carmila strengthened its financial structure by signing a new revolving credit facility on 21 October 2021 for €810 million, in two (three- and five-year) tranches, including two one-year extension options. The facility replaces an existing €759 million revolving credit facility due in 2024. This new facility includes two sustainability criteria designed to support Carmila's ambitious strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. Carmila will see its credit spread reduced if these targets are met and, in all cases, will be making a firm contribution to sustainability initiatives. No drawdowns were made on the revolving credit facility during the period.

Set-up fees for the new credit facility amount to €3.9 million and are included in operating expenses. Fees for the previous 2017 credit facility were also expensed. This accounting treatment is consistently applied to all borrowings.

These refinancing transactions were conducted, independently of the Covid-19 context, in order to extend the average maturity of the Group's debt.

Following these operations, the average maturity of Carmila's debt was 4.3 years at 31 December 2021.

Note 2.3 Distribution

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020. Shareholders were offered the option to receive the dividend payment in shares. In all, 33.8% of shareholders took up this offer. In all, the distribution resulted in the payment of €94 million in cash and the subscription of 3,826,562 new shares, each with a par value of €12.55.

Note 3 Accounting principles and basis of measurement

Note 3.1 Accounting principles applied

The statutory financial statements of the Company have been prepared and presented in accordance with the principles and methods defined in Regulation 2014-03 issued by the French accounting standards-setter (*Autorité des normes comptables* – ANC), as amended by all subsequent regulations.

Generally accepted accounting principles in France have been applied in accordance with the principle of prudence, pursuant to the following basic assumptions: going concern basis, the accruals basis of accounting and consistency of accounting methods, pursuant to the general rules of preparing and presenting annual financial statements.

The measurement basis used to prepare the financial statements is the historical cost method.

The measurement basis and accounting policies have not changed relative to the prior year. The statutory financial statements are shown in thousands of euros, rounded to the nearest thousand.

Note 3.2 Basis of measurement

Note 3.2.1 Intangible assets

Software licences are amortised over 48 months.

Note 3.2.2 Property, plant and equipment

Property, plant and equipment are stated on the balance sheet at their acquisition cost, plus the ancillary costs and expenses incurred to acquire the asset, particularly transfer taxes.

When an item of property, plant and equipment includes significant components with different useful lives, they are recognised separately. The costs to replace or renew an item of property, plant and equipment are recognised as a separate asset, and the replaced asset is eliminated. Other costs incurred subsequently for an item of property, plant and equipment are only recognised as fixed assets if they improve the condition of the asset and expand its capacity relative to its original performance.

The measurement method used is the historical cost method. A provision for impairment is set aside when the future economic benefits associated with an item of property, plant and equipment is less than its net book value. Impairment is calculated by comparing the net book value of the asset with the higher of value in use and market value, determined where appropriate by an independent appraiser. If the market value determined is lower, an impairment loss is recognised for the difference.

Assets in progress include the costs incurred on the project. They are not amortised until the project has been commissioned and reclassified to fixed assets.

Note 3.2.3 Financial assets

Financial assets comprise equity interests and receivables related to equity investments and property security deposits. They are carried at their acquisition cost plus any expenses incurred to acquire the asset, on the date of initial recognition.

Equity interests are impaired when their fair value is less than their acquisition cost. The fair value of equity interests corresponds to value in use, determined based on net asset value. Revalued equity of real estate companies is estimated twice per year based on valuations of investment property carried out by independent appraisers who take into account specific information about the assets as well as market returns.

Loans and other financial assets are recorded at their nominal value. A provision for impairment is recognised when fair value is lower than the book value.

Impairment is recognised in net financial income (expense), together with reversals of impairments on the disposal of equity interests. The gain or loss on the disposal of equity interests is recognised in non-recurring items.

Despite the impacts of the health crisis, the impairment tests carried out at the reporting date did not lead the Company to recognise impairment against any of its equity interests, except Lescar for €44 thousand.

Note 3.3 Operating receivables and payables

Receivables are recognised at nominal value. They mainly comprise the debit balance of subsidiaries' current accounts. These receivables are estimated on an individual basis at each reporting date, and a provision is accrued whenever there is a risk that they may not be collected.

Trade accounts payable and other payables are recorded at cost.

Note 3.4 Marketable securities

The Company's treasury shares, acquired under a liquidity agreement, are shown at cost. An impairment loss is recognised if the carrying amount is higher than the market price on 31 December of each year.

Note 3.5 Deferred charges – Debt issuance costs

Debt issuance costs are not deferred in the statutory financial statements and are directly expensed.

Note 3.6 Provisions – Employee benefits

In general, provisions are established to cover clearly identifiable risks and expenses arising from past or present events, for which the timing or amount is uncertain and the settlement of which is expected to result in an outflow of resources to a third party by virtue of a legal or constructive obligation, without receiving at least equivalent consideration from said third party and where the amount of the risk or expense can be estimated with sufficient reliability but for which the fulfilment and due date are uncertain.

A provision is recognised for free share or stock option plans, once it is probable or certain that the obligation to allocate existing shares to employees will generate an outflow of resources without receiving at least equivalent consideration. When the allocation of shares or stock options is conditional upon the continued service of the beneficiary within the Company during a given future period, the related consideration is yet to be given to the Company, such as in the case of corporate officers. Accordingly, the liability is recognised as a provision determined based on services already rendered by the beneficiary.

Note 3.7 Financial liabilities

Financial liabilities are recognised at face value. However, during the merger of Carmila SAS with Cardety SA in 2017, the financial liabilities were recorded in the acquirer's liabilities, adjusted to their market value including:

- the unrealised loss on hedging instruments in the amount of €22,113 thousand;
- the unrealised loss on fixed-rate bonds expressed at their market value at 31 December 2016, as a result of persistent low interest rates in the period, in the amount of €23,834 thousand.

These adjustments for a total of €45,947 thousand are recognised as income on a straight-line basis for the remaining term of the debt or the underlying instrument. A gain of €6,874 thousand was recognised in the 2021 income statement, reflecting (i) the deferred recognition of these adjustments over several periods and (ii) the portion of the amount deferred relating to repayments of the principal of the Term Loan for €300 million.

Debt issuance costs are expensed in the year in which the debt is issued. As the head of the Group, the Company is responsible for almost all of the Group's financing requirements and manages its interest rate risk.

Interest rate hedges are intended to limit the impact of interest rate fluctuations on variable rate debt. The Company uses over-the-counter financial instruments with top-tier bank as counterparties for these hedges. The derivative instruments used are mainly swaps, caps and swaptions. Gains and losses on these hedging instruments are recognised symmetrically with the gains and losses on the underlying debt.

Carmila cancelled two swaps during the year: one with a notional amount of €75 million was cancelled in full, while the other, also with a notional amount of €75 million, was partially cancelled in an amount of €50 million. The unwinding of these two swaps resulted in a balancing cash payment of €6.2 million. The hedged item still exists but the two hedging instruments have been unwound. Hedge accounting therefore continues to apply. The gain or loss realised on the swap is carried forward in a suspense account in the balance sheet and will be written back symmetrically with the gain or loss on the hedged item (i.e., over the life of the swap).

Note 3.8 Tax regime

The Company has opted for the "SIIC" regime for listed real estate investment firms in France as from 1 January 2015.

The regime is considered to be a specific tax exemption status and not one that offers a lower rate of tax on distributed earnings. In exchange for the exemption, these listed real estate investment firms are required to distribute 95% of their rental income, 70% of their capital gains on disposals and 100% of the dividends received from their "SIIC" subsidiaries as recorded in 2021. In return, the beneficiary is taxed on the distributed profits at the tax rate applicable to the beneficiary, without the possibility of applying the parent subsidiary allowance.

Note 4 Notes to the balance sheet – Assets

Unless indicated otherwise, the values indicated below are in thousands of euros.

Note 4.1 Intangible assets

Other intangible assets comprise software applications which are not material taken individually.

Note 4.2 Financial assets

(in thousands of euros)	Gross amount at 31 Dec. 2020	Increase	Decrease	Gross amount at 31 Dec. 2021
Equity interests	3,449,115			3,449,115
Total equity interests	**3,449,115**	**0**	**0**	**3,449,115**
Loans to subsidiaries	1,870,264		2,015	1,868,249
Treasury shares	2,541	14,954	15,144	2,351
Lease deposits and guarantees	2			2
Total other financial assets	**1,872,807**	**14,954**	**17,159**	**1,870,601**
FINANCIAL ASSETS	**5,321,922**	**14,954**	**17,159**	**5,319,716**

As Cancelas repaid €1.8 million of its shareholder loan during the year.

At 31 December 2021, Carmila SA held 161,951 treasury shares, comprising shares held in the context of the liquidity agreement and shares held with a view to using them in free share plans.

In 2021, the following transactions were carried out under the liquidity agreement:

- the purchase of 420,910 shares at an average price of €12.73 per share;
- the sale of 450,336 shares at an average price of €12.93 per share.

SUBSIDIARIES AND OTHER EQUITY INTERESTS

(in thousands of euros)	% held	Share capital	Shareholders' equity excluding 2021 net income	2021 net income after tax	2021 net revenue (excl. VAT)	Gross carrying amount of shares	Net carrying amount of shares	Loans and advances outstanding	Guarantees and collateral granted	Dividends received in 2021
1. SUBSIDIARIES (%>50-OWNED)										
France										
Carmila France	100%	707,907	2,242,432	34,855	146,234	2,557,463	2,557,463	1,340,000		0
Almia Management	100%	500	885	572	29,967	2,467	2,467			3,156
Total France		**708,407**	**2,243,316**	**35,427**	**176,202**	**2,559,929**	**2,559,929**	**1,340,000**	**0**	**3,156**
Outside France										
Carmila España SL	100%	186,315	288,234	12,617	63,259	415,252	415,252	275,000		9,219
Carmila Talavera SL	100%	4,003	7,555	1,498	2,659	29,455	29,455	6,500		574
Carmila Huelva SL	100%	20,003	22,336	3,567	6,119	69,031	69,031	22,900		2,042
Carmila Mallorca SL	100%	37,403	69,959	(851)	8,381	91,447	91,447	69,300		266
Carmila Puerto SL	100%	15,788	17,055	(563)	2,796	21,349	21,349	14,400		
Carmila Cordoba SL	100%	26,161	27,904	(1,163)	3,717	32,921	32,921	22,600		
Carmila Holding Italia SRL	100%	15,730	153,534	(2,240)	135	183,654	183,654	105,000	10,700	
Total outside France		**305,403**	**586,577**	**12,865**	**87,066**	**843,109**	**843,109**	**515,700**	**10,700**	**12,101**
Total subsidiaries		**1,013,810**	**2,829,893**	**48,292**	**263,268**	**3,403,038**	**3,403,038**	**1,855,700**	**10,700**	**15,257**
2. EQUITY INVESTMENTS (10<%<50-OWNED)										
France										
Outside France										
As Cancelas	50%	900	46,834	2,433	7,542	46,031	46,031	9,700		819
Total equity interests		**900**	**46,834**	**2,433**	**7,542**	**46,031**	**46,031**	**9,700**	**0**	**819**
TOTAL		**1,014,710**	**2,876,727**	**50,725**	**270,810**	**3,449,069**	**3,449,069**	**1,865,400**	**10,700**	**16,076**

Note 4.3 Trade and other receivables

(in thousands of euros)	Gross amount at 31 Dec. 2021	Maturing in less than 1 year	Maturing in more than 1 year	Gross amount at 31 Dec. 2020	Maturing in less than 1 year	Maturing in more than 1 year
Trade receivables	1,671	1,671		2,014	2,014	
Allowances for trade receivables						
Total trade receivables	**1,671**	**1,671**		**2,014**	**2,014**	
Taxes	463	463		401	401	
Other receivables	12,595	12,595		15,571	15,571	
Prepaid expenses	6	6		136	136	
Allowances for other receivables						
Total trade receivables	**13,064**	**13,064**		**16,108**	**16,108**	
TOTAL TRADE AND OTHER RECEIVABLES	**14,736**	**14,736**		**18,122**	**18,122**	

Other receivables correspond to amounts owed by Carmila France under current accounts relating to cash pooling arrangements (€6,054 thousand) and to balancing cash payments on swaps to be recognised over the hedging period (€6,192 thousand).

Note 4.4 Marketable securities

Carmila SA did not have any marketable securities at 31 December 2021.

Note 4.5 Cash at bank and in hand

Cash at bank and in hand comprises the Company's bank account balances and term deposits at 31 December 2021.

Note 4.6 Bond redemption premiums

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount outstanding of €2,191 million. These bonds are repayable at maturity, falling between 2023 and 2031. The premium paid for each issue is recognised over the term of the underlying debt, such that the carrying amount of the bond equals the nominal amount subscribed at maturity. At 31 December 2021, the outstanding amount to be deferred was €5,375 thousand. A total of €1,656 thousand was amortised during the year. The premiums paid on the bonds are recognised over the term of the underlying debt, such that the carrying amount of the bond equals the nominal amount subscribed at maturity.

Note 5 Notes to the balance sheet – Equity and liabilities

Note 5.1 Shareholders' equity

(in thousands of euros)	31 Dec. 2020	Increases	Dividend distribution	Appropriation of 2020 net income	Share buyback programme	31 Dec. 2021
Share capital	855,701	868	22,959		(4,140)	875,389
Issuance premium	548,638	(868)	25,064		(3,860)	568,974
Merger premium	1,491,181		(74,168)			1,417,012
Revaluation adjustment	9,448					9,448
Legal reserve	6,520			3,585		10,105
Regulatory provisions	370					370
Other reserves						0
Retained earnings	23		71	(38)		56
Net income (loss) for the period	71,691	(11,430)	(68,129)	(3,562)		(11,430)
TOTAL	**2,983,572**	**(11,430)**	**(94,202)**	**(15)**	**(8,000)**	**2,869,924**

At 31 December 2021, the share capital was made up of 145,614,215 A Shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital also includes 139,306 C Shares and 144,647 D Shares, each with a par value of six euros (€6).

During 2021:

- acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020, representing a total payout of €142,389 thousand. A total of €74,245 thousand was charged against the merger premium and €68,144 thousand against consolidated retained earnings available for distribution. Shareholders were offered the option to receive the dividend payment in shares. €94,238 thousand was paid in cash and €48,023 thousand was paid in shares, resulting in the issuance of 3,826,562 A Shares with a value of €12.55 per share;
- in accordance with the terms and conditions of the plan dated 16 May 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 16 May 2021, leading to the conversion of 112,611 B Shares into 31,850 A Shares issued on 9 June 2021. This capital decrease was charged against issuance premiums for €485 thousand;
- the D Shares were issued on 29 June 2021 as part of Carmila's preference share allocation plan for key employees and corporate officers. This capital increase was charged against issuance premiums for €868 thousand;
- in accordance with the terms and conditions of the plan dated 24 October 2018, vested B Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period expired on 24 October 2021, leading to the conversion of 7,537 B Shares into 2,675 A Shares issued on 16 November 2021. This capital decrease was charged against issuance premiums for €29 thousand;
- Carmila bought back 604,297 shares under the share buyback programme launched on 6 September 2021. These shares were cancelled further to the decision of the Board of Directors on 28 July 2021 to reduce the Company's capital.

Note 5.2 Provisions for contingencies and charges and impairment of assets

(in thousands of euros)	31 Dec. 2020	Additions	Reversals	31 Dec. 2021
Provisions for contingencies and charges	**1,835**	**425**	**97**	**2,163**
Provisions for other contingencies	1,835	425	97	2,163
Provisions for other charges	0	0	0	0
Impairment/allowances	**0**	**44**	**0**	**44**
On property, plant and equipment	0	0	0	0
On financial assets	0	44	0	44
On trade receivables	0	0	0	0
On marketable securities	0	0	0	0
TOTAL	**1,835**	**469**	**97**	**2,207**

Provisions for other contingencies include the total cost of the free share plans, measured at €952 thousand.

Note 5.2.1 Free share plans

The Group operates free share plans for corporate officers and key employees in France, Spain and Italy. Three of the plans remain in effect at 31 December 2021. The cost of these plans is recognised over the vesting period (period of employment to be completed by the beneficiaries before they are able to exercise the options allocated).

The plan granted in 2018 (plan 4) matured on 16 May 2021 and resulted in the allocation of 31,850 free shares to key employees and corporate officers following the conversion of B Shares into A Shares. The second instalment of the 2018 plan (Plan 4) matured on 24 October 2021 and resulted in the allocation of 2,675 free shares.

The plans in effect at 31 December 2021, allocated in 2019, 2020 and 2021, were as follows:

- In 2019, the preference share plan incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2021 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the percentage of environmental certifications in the portfolio at end-2021;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2021 versus a panel of comparable companies.
- a preference share plan was approved in June 2020 and incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2022 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2022;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2022 versus a panel of comparable companies.
- a new free share plan was approved in May 2021, again incorporating a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2023 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2023;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2023 versus a panel of comparable companies.

Summary of the plans	Plan 4 France	Plan 4 Outside France	Plan 5 France	Plan 5 Outside France	Plan 6 France	Plan 6 Outside France	Plan 7 France	Plan 7 Outside France
Date of General Meeting	16/05/2018		16/05/2018		16/05/2019		29/06/2020	
Date of allocation	16/05/2018		24/10/2018		16/05/2019		29/06/2020	
End of vesting period	Tranche 1 – 20%: 16/05/2019 Tranche 2 – 20%: 16/05/2020 Tranche 3 – 60%: 16/05/2021		Tranche 1 – 20%: 24/10/2019 Tranche 2 – 20%: 24/10/2020 Tranche 3 – 60%: 24/10/2021		Tranche 1 – 20%: 14/05/2020 Tranche 2 – 20%: 14/05/2021 Tranche 3 – 60%: 14/05/2022		Tranche 1 – 20%: 29/06/2021 Tranche 2 – 20%: 29/06/2022 Tranche 3 – 60%: 29/06/2023	
End of holding period	16/05/2021		24/10/2021		16/05/2022		29/06/2023	
Service condition	Service condition influences the conversion ratio of B Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of B Shares into A shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of C Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of D Shares into A Shares, by tranches as described over the vesting period	
Performance condition	Change in NAV versus a panel of comparable companies Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel of comparable companies Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel of comparable companies Recurring EPS: annual growth rate Change in share price		Change in NAV versus a panel of comparable companies Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**108,888**	**16,858**	**7,537**	**0**	**121,806**	**23,100**	**117,247**	**27,400**
Shares cancelled/ forfeited	(13,135)				(15,580)		(2,720)	
Shares cancelled/ achievement rate – Conversion into A Shares	(69,888)	(10,873)	(4,862)					
Shares vested	(25,865)	(5,985)	(2,675)					
OUTSTANDING SHARES AT 31 DECEMBER 2021	**0**	**0**	**0**	**0**	**106,226**	**23,100**	**114,527**	**27,400**

Summary of the plans		Plan 8
	France	Outside France
Date of General Meeting		18/05/2021
Date of allocation		18/05/2021
End of vesting period		18/05/2024
End of holding period		18/05/2024
Service condition		Service condition influences vesting
Performance condition		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria
Share allocation right	**188,938**	**50,000**
Rights to shares cancelled/forfeited	(8,300)	
OUTSTANDING RIGHTS TO SHARES AT 31 DECEMBER 2021	**180,638**	**50,000**

Note 5.3 Bonds and other financial liabilities

(in thousands of euros)	31 Dec. 2020	31 Dec. 2021	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Bonds	1,890,978	2,190,978		1,090,978	1,100,000
Bank borrowings	485,141	178,267	4,265	174,002	
Accrued interest on loans	15,754	21,842	21,842		
Commercial paper	225,000	200,000	200,000		
Security deposits	3	3			3.25
TOTAL	**2,616,876**	**2,591,090**	**226,107**	**1,264,980**	**1,100,003**

At 31 December 2021, gross debt stood at €2,369 million, and comprised two main components:

- €2,191 million in bonds; and
- €170 million in a syndicated bank loan.

At 31 December 2021, the Company had also drawn down €200 million under its €600 million commercial paper programme.

Note 5.3.1 Bonds

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount outstanding of €2,191 million.

In 2021, as part of its EMTN programme, Carmila issued a new €300 million eight-year bond on 25 March 2021 paying a coupon of 1.625%. Carmila received €297,384 thousand on 1 April 2021 after deducting bank charges and fees.

At 31 December 2021, the amount of Carmila's bond debt therefore totalled €2,191 million. Issuance premiums represented €5,375 thousand and will be amortised over the residual term of the underlying debt.

Note 5.3.2 Bank loans

On 9 April 2021, Carmila repaid €300 million of this loan ahead of term, bringing the amount outstanding to €170 million at 31 December 2021 from €470 million at end-2020.

Carmila strengthened its financial structure by signing a new revolving credit facility on 21 October 2021 for €810 million, in two (three- and five-year) tranches, including two one-year extension options. The facility replaces an existing €759 million revolving credit facility due in 2024.

This new facility includes two sustainability criteria designed to support Carmila's ambitious strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. Carmila will see its credit spread reduced if these targets are met and, in all cases, will be making a firm contribution to sustainability initiatives.

Note 5.3.3 Interest rate risk management

The Company is exposed to interest rate risk on its variable-rate borrowings. The aim of the interest-rate risk management policy in place is to limit the impact of changes in interest rates in the income statements and on the current and future cash flows using interest rate derivative instruments such as caps, swaps or swaptions.

The fixed-rate position stood at 96% of gross debt at 31 December 2021, versus 88% at 31 December 2020. The position includes fixed-rate payer swaps and a cap for respective notional amounts of €385 million and €100 million.

Carmila cancelled two swaps during the year: one with a notional amount of €75 million was cancelled in full, while the other, also with a notional amount of €75 million, was partially cancelled in an amount of €50 million. The unwinding of these two swaps resulted in a balancing cash payment of €6.2 million. The hedged item still exists but the two hedging instruments have been unwound. Hedge accounting therefore continues to apply. The gain or loss realised on the swap is carried forward in a suspense account in the balance sheet and will be written back symmetrically with the gain or loss on the hedged item (i.e., over the life of the swap).

For the remaining hedging instruments in the portfolio at 31 December 2021, their fair value stood at a negative €12,916 thousand at that date. As an example, a 0.50% increase in rates would result in a fair value of the hedging instruments of a negative €4,149 thousand. Conversely, a 0.50% decrease in rates would lead to a fair value of a negative €21,835 thousand.

Note 5.4 Trade payables

(in thousands of euros)	31 Dec. 2020	31 Dec. 2021	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Trade payables	125	265	265		
Trade payable accruals	4,970	3,847	3,847		
TOTAL TRADE PAYABLES	**5,094**	**4,112**	**4,112**		

This item mostly comprises accrued invoices for overheads (€3,847 thousand).

Note 5.5 Accrued tax and payroll liabilities

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Payroll expenses		
Tax liabilities	187	150
TOTAL	**187**	**150**

Note 5.6 Other payables

(in thousands of euros)	31 Dec. 2021	31 Dec. 2020
Payables to suppliers of non-current assets	1,225	1,260
Other payables	1,940	1,383
TOTAL	**3,165**	**2,643**

Payables to suppliers of non-current assets mainly comprise accruals for invoices yet to be received from ongoing development projects transferred to Carmila France and Carmila Saran in 2018. They amount to €1,220 thousand and were incorporated in the value of the assets contributed.

Note 6 Notes to the income statement

Note 6.1 Operating income

Other income comprises the re-invoicing of a large portion of the management costs borne by the holding company in the interests of all the subsidiaries.

Note 6.1.1 Other purchases and external charges

(in thousands of euros)	2021	2020
Purchases and subcontracting	410	811
Wages		
Payroll social charges and taxes		
Fees	3,018	2,686
Bank services	4,053	1,739
Other	29	442
TOTAL	**7,510**	**5,679**

Fees mainly comprise legal and auditing fees, along with financial reporting fees in the Company's capacity as a listed company.

Bank services mainly relate to set-up fees for the new credit facility signed on 21 October 2021, totalling €3.9 million.

Note 6.1.2 Taxes

(in thousands of euros)	2021	2020
Waste removal tax		
Property tax		
Value-added contribution		
Miscellaneous taxes	11	1
TOTAL	**11**	**1**

Note 6.1.3 Additions to depreciation, amortisation and provisions

For additions to provisions for contingencies and charges, see Note 5.2 “Provisions for contingencies and charges and impairment of assets”.

Note 6.2 Net financial income (expense)

(in thousands of euros)	2021	2020
Financial income	**54,376**	**136,652**
Dividends received	16,085	92,008
Interest received on loans to subsidiaries	30,694	34,297
Other interest income	7,499	9,700
Reversals of impairment and provisions for financial assets	97	647
Financial expenses	**58,375**	**58,914**
Additions to impairment and provisions for financial assets	2,126	1,728
Interest expense	56,212	56,553
Share of loss in partnerships	38	72
Expenses on disposals of treasury shares		561
Loss on sale of marketable securities		
Interest paid on commercial paper		
NET FINANCIAL INCOME (EXPENSE)	**(4,000)**	**77,739**

Financial income consists primarily of dividends received from subsidiaries in the amount of €16,076 thousand and interest received on loans to subsidiaries of €30,694 thousand.

The sharp decrease in financial income is mainly due to the decrease in dividends from subsidiaries (€75,923 thousand lower than in 2020).

Other interest income mainly relates to the reversal within income of the adjustment of the debt of the company merged in 2017, as described above in Note 5.3.

Additions in respect of financial assets relate mainly to amortisation of issuance premiums.

Interest expense includes €45,890 thousand in interest on bonds, €1,536 thousand in interest on bank borrowings, and €5,176 thousand in interest on swaps. This item also includes non-utilisation fees on revolving credit facilities amounting to €2,294 thousand and debt issuance costs amounting to €990 thousand.

Note 6.3 Net non-recurring income (expense)

(in thousands of euros)	2021	2020
Non-recurring income	**421**	**324**
Income from asset disposals	0	15
Other non-recurring income	421	309
Non-recurring expenses	**185**	**830**
Book value of asset disposals	0	15
Other non-recurring expenses	185	815
NET NON-RECURRING INCOME (EXPENSE)	**236**	**(506)**

Net losses on the sale of treasury shares in connection with the liquidity agreement amounted to €228 thousand.

Note 6.4 Corporate income tax

None.

Note 7 Notes on off-balance sheet commitments

Note 7.1 Commitments given

At 31 December 2021, the loan agreement for a total initial principal amount of €770 million and a balance of €170 million at that date, and the revolving credit facilities for €810 million agreed between the Company and a syndicate of lending banks, are subject to compliance with the following covenants based on the Company’s consolidated financial statements:

- interest coverage ratio: the ratio of EBITDA to the net cost of debt must be greater than 2.00 at the test dates;
- loan-to-value: the ratio of consolidated net debt to the fair value of the investment properties (including transfer taxes) must not exceed 55% on the same date (although for one half-year measurement, the ratio may reach a maximum of 60%);
- security interests granted must not exceed 20% of the total fair value of the investment properties; and
- the total value of the investment properties must not be less than €2,500,000 thousand.

Failure to comply with these covenants entitles the lenders to demand early repayment of their facilities.

At 31 December 2021, the Group complied with the applicable covenants.

Note 7.2 Commitments received

At 31 December 2021, the Company has €810 million of confirmed revolving credit facilities in two tranches with maturities of three and five years (including two one-year extension options). No facilities were drawn down during the year.

Note 7.3 Reciprocal commitments

The Group's interest rate hedging policy uses swaps to hedge over time against higher interest rates on its floating-rate debt. On an outstanding amount of €370 million in floating-rate debt at 31 December 2021, the Company has €260 million in swaps. It also has a floor representing €25 million, classified at fair value through profit or loss, as well as caps representing a nominal amount of €100 million, classified at fair value through profit or loss.

NOTIONAL OUTSTANDING AMOUNTS ON DERIVATIVE INSTRUMENTS AT THE CLOSING DATE BY MATURITY

(in millions of euros)	31 Dec. 2021	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Fixed rate borrower (interest rate swap)				
Against Euribor/set quarterly/360	260	0	0	250
Purchase of interest rate options (caps/floor/collars)				
Outstanding	100	0	100	0

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT THE CLOSING DATE

(in millions of euros)	31 Dec. 2021
Fixed rate borrower (interest rate swap) *(millions of euros)*	**(12.9)**
Against 3-month Euribor/set quarterly/360	(13.1)
Purchased interest rate options (caps)	**0.2**

Note 8 Notes to the statutory financial statements – Related-party transactions

CARMILA SA WITH SUBSIDIARIES CARMILA FRANCE AND ALMIA MANAGEMENT *(in thousands of euros)*

Assets		Liabilities	
Financial assets	3,899,930	Financial liabilities	38
Receivables	6,836	Operating payables	693
		Other liabilities	

Expenses		Income	
Operating expenses	**693**	**Operating income**	**332**
Leasing fees		Payroll re-invoicing	332
Financial expenses	**179**	**Financial income**	**22,839**
		Dividends	3,165
		Loan interest	19,675

CARMILA SA WITH SUBSIDIARY CARMILA ESPAÑA AND OTHER WHOLLY-OWNED SUBSIDIARIES *(in thousands of euros)*

Assets		Liabilities	
Financial assets	1,072,092	Financial liabilities	
Receivables	1	Operating payables	
		Other liabilities	

Expenses		Income	
Operating expenses		**Operating income**	
Financial expenses		**Financial income**	**19,794**
		Dividends	12,101
		Loan interest	7,693

CARMILA SA WITH AS CANCELAS *(in thousands of euros)*

Assets		Liabilities	
Financial assets	55,822	Financial liabilities	
Receivables		Operating payables	
		Other liabilities	

Expenses		Income	
Operating expenses		**Operating income**	
Financial expenses		**Financial income**	**911**
		Dividends	820
		Loan interest	91

CARMILA SA WITH SUBSIDIARY CARMILA ITALIA *(in thousands of euros)*

Assets		Liabilities	
Financial assets	289,475	Financial liabilities	
Receivables	4	Operating payables	
		Other liabilities	

Expenses		Income	
Operating expenses		**Operating income**	
Financial expenses		**Financial income**	**3,244**
		Dividends	
		Loan interest	3,244

Note 9 Other information

Note 9.1 Cash pooling

The Carmila Group's cash in France is pooled, with Carmila SA managing the cash pool.

Note 9.2 Headcount

Carmila SA has no employees.

Note 9.3 Compensation of corporate officers

The amount paid to directors in 2021 was €331 thousand. One corporate officer was seconded by Carrefour Management, and the cost rebilled.

Note 9.4 Subsequent events

None.

Note 10 Information on consolidation

Carmila SA is the ultimate parent company of the Carmila Group and prepares the Group's consolidated financial statements.

6.4 Management report

6.4.1 Significant events of 2021

6.4.1.1 General context and the Covid-19 health crisis

Two distinct periods shaped 2021 for Carmila: the first half of the year saw the health crisis continue, due mainly to restrictions imposed on stores in shopping centres across France and in certain regions of Spain and Italy, while in the second half of the year, the situation gradually returned to normal.

The impact of the health crisis on Carmila's business was less marked in 2021 than in 2020, with shopping centre stores closed for less time than in the previous year (2.2 months on average in 2021, compared with 3.0 months in 2020).

From June onwards, all stores in Carmila centres were able to welcome back their customers, subject to compliance with various less stringent rules than at the beginning of the year. In the three countries where Carmila operates, a "health pass" or similar measure was introduced for some businesses, such as seated food service and cinemas. In France, several Carmila centres were subject to the health pass requirement for entry into shopping centres of more than 20,000 sq.m. in some *départements* in August and September. Lastly, in some regions in Spain, and notably Catalonia, capacity limits were introduced for restaurants and shopping centres.

6.4.1.2 Debt and financing

As part of its EMTN programme, Carmila issued a new €300 million eight-year bond on 25 March 2021 paying a coupon of 1.625%.

On 9 April 2021, Carmila repaid €300 million of this loan ahead of term, bringing the amount outstanding to €170 million at 30 June 2021 from €470 million at end-2020.

In October 2021, Carmila refinanced its €759 million revolving credit facility that was to fall due in 2024. This credit line was replaced by two new lines of €270 million and €540 million in the form of a revolving credit facility falling due in October 2024 and October 2026 (including two one-year extension options) and incorporating a sustainability-linked loan mechanism. No drawdowns were made by Carmila on the revolving credit facility in 2021.

These refinancing transactions were conducted, independently of the Covid-19 context, in order to extend the average maturity of the Group's debt.

Following these operations, the average maturity of Carmila's debt was 4.3 years at 31 December 2021.

The bonds represent the Company's senior debt. They do not provide for guarantees or security. They are listed on the Euronext Paris bond market.

6.4.1.3 Internal restructuring

Since 1 January 2020, Carmila España and other Spanish subsidiaries wholly owned by Carmila SA have opted for the SOCIMI tax regime applicable in Spain to real estate investment trusts (REITs). Real estate income for SOCIMIs is subject to 0% corporate income tax (CIT), provided that the requirements of the SOCIMI regime are met.

Effective 31 December 2021, Carmila Puerto and Carmila Cordoba opted out of, and therefore are no longer eligible for, the SOCIMI regime.

6.4.1.4 Distribution

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 18 May 2021 approved the dividend of €1.00 per share for 2020. Shareholders were offered the option to receive the dividend payment in shares. In all, 33.8% of shareholders took up this offer. In all, the distribution resulted in the payment of €94 million in cash and the subscription of 3,826,562 new shares, each with a par value of €12.55.

6.4.2 Business and financial review

In 2018, Carmila SA terminated its direct operational real estate management activities through the contribution of its assets to wholly-owned subsidiaries. Since that date, Carmila has acted as a holding and management company for the equity interests it holds within and outside France.

6.4.2.1 Operating income

Operating income comprises the re-invoicing of a large portion of the management costs borne by the holding company in the interests of all its subsidiaries.

6.4.2.2 Operating expenses

In 2021, operating expenses include the holding company's overhead costs relating to the listing on Euronext Paris Compartment A, including costs of organising financial communication events, fees paid to institutional bodies and fees for legal counsel, rating agencies, Statutory Auditors and banking services.

6.4.2.3 Net financial income (expense)

Financial income includes:

- dividends received from subsidiaries in an amount of €16,076 thousand, of which €9,219 thousand from Carmila España and €3,156 thousand from Almia Management;
- interest charged on shareholder loans and current accounts granted to subsidiaries in the amount of €30,694 thousand;
- an accounting liability recognised through the income statement corresponding to the revaluation at market value of the debt and derivatives contributed in connection with the merger in June 2017, resulting in an increase in the contributed liability. This increase will not result in any outflow of funds and is recognised through the income statement for the remaining term of the underlying debt. Accordingly, income of €7,499 thousand was recognised in this respect for 2021.

Financial expenses include:

- additions to financial items relating to the amortisation of issuance premiums and bond redemptions in an amount of €2,126 thousand;
- interest on bonds and debt with lending institutions and hedging instruments in an amount of €56,212 thousand.

Net financial income (expense) represents an expense of €4,000 thousand, reflecting the decrease in dividends received.

6.4.2.4 Net non-recurring income (expense)

Net losses on the sale of treasury shares in connection with the liquidity agreement amounted to €228 thousand.

The net loss for the year amounted to €11,430 thousand.

6.4.3 Information on payables and receivables

As a result of the contribution of operating assets to its subsidiaries in 2018, there are no longer any revenues. Only re-invoicings of expenses generate income. At 31 December 2021, two invoices were pending settlement for €884 thousand, of which €779 thousand at more than 90 days and €106 thousand at less than 30 days.

Other receivables at 31 December 2021 correspond to amounts owed by Carmila France under current accounts related to cash pooling arrangements (€6,054 thousand) and to balancing cash payments on swaps to be recognised over the hedging period (€6,192 thousand).

With regard to suppliers, the payable balances of the balance sheet almost exclusively include accruals for invoices not yet received. There were 31 supplier invoices included in the financial statements at 31 December 2021, representing €263 thousand, or 0.0035% of purchases including VAT. €171 thousand of this amount is more than 90 days past due.

6.4.4 Equity interests

Carmila owns equity interests in companies in France, Spain and Italy.

At 31 December 2021, impairment tests enabled to conclude that there was no impairment requirements for equity interests.

6.4.5 Appropriation of 2021 net loss

Shareholders will be asked at the Annual General Meeting to be held on 12 May 2022 to approve the appropriation of the 2021 net loss as follows:

Net loss for the year	(11,429,941.47)
Retained earnings	55,849.44
Distributable earnings	(11,374,092.03)
Addition to legal reserve	0.00
Distribution paid out of distributable income	0.00

Retained earnings after appropriation	(11,374,092.03)

The total amount of the proposed distribution for 2021 will be €1.00 per share and breaks down as follows:

Distribution paid out of distributable income	0.00
Distribution paid out of the merger premium	145,614,215.00

Total distribution	145,614,215.00

Pursuant to legal disclosure requirements, distributions in respect of the last three financial years were *(in euros/share)*:

Year	Euros/share
2018	1.50
2019	1.00
2020	1.00

6.4.6 Five-year financial summary

The five-year financial summary is as follows:

	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2017
SHARE CAPITAL AT YEAR-END					
Share capital[(1)]	€875,389,008.00	€855,701,274.00	€820,091,058.00	€819,370,170.00	€810,360,174.00
Number of existing ordinary shares	145,898,168	142,616,879	136,561,695	136,561,695	135,060,029
OPERATIONS AND EARNINGS					
Revenue (excl. VAT)	€0.00	€0.00	€4,000.00	€5,237,070.00	€7,095,000.00
Earnings before income tax, profit-sharing and additions to depreciation, amortisation and provisions	€(9,401,362.64)	€71,779,627.82	€20,361,824.00	€72,324,927.00	€36,129,000.00
Income tax	€0.00	€85,119.13	€371,753.00	€394,234.00	€257,000.00
Employee profit-sharing	-	-	-	-	-
Earnings after income tax, profit-sharing and additions to depreciation, amortisation and provisions	€(11,429,941.47)	€71,690,537.05	€19,929,793.00	€69,817,496.00	€21,443,000.00
AMOUNT DISTRIBUTED					
• of which net income (loss) for the period:	€0.00	€68,144,152.72	€19,031,255.16	€66,336,621.27	€20,371,290.90
• of which retained earnings:					€12,774.60
• of which issuance premium:					
• of which merger premium:	€145,614,215.00	€74,245,122.28	€185,811,287.34	€138,515,921.23	€182,205,978.00
EARNINGS PER SHARE					
Earnings after income tax and profit-sharing but before depreciation, amortisation and provisions	€(0.06)	€0.50	€0.15	€0.53	€0.20
Earnings after income tax, profit-sharing and additions to depreciation, amortisation and provisions	€(0.08)	€0.50	€0.15	€0.51	€0.16
AMOUNT DISTRIBUTED PER SHARE[(2)]					
• of which net income (loss) for the period:	€0.00	€0.48	€0.14	€0.49	€0.15
• of which retained earnings:					€0.00
• of which issuance premiums:					
• of which merger premiums:	€1.00	€0.52	€1.36	€1.01	€1.35
STAFF					
Average headcount during the year					
Payroll for the year	€331,989.28	€627,379.05	€1,290,338.00	€1,000,232.00	€826,000.00
Amount paid in respect of employee benefits					

(1) Share capital increase, chiefly further to the issue of 3,826,562 A Shares in connection with the stock dividend.
(2) For 2021, to be submitted for approval to the Ordinary Shareholders' Meeting.

6.5 Statutory Auditors’ report on the financial statements

This is a free translation into English of the statutory auditors’ report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors’ report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2021

To the Carmila SA Shareholders’ Annual General Meeting

Opinion

In compliance with the engagement entrusted to us by your Shareholders’ Meeting, we have audited the accompanying financial statements of Carmila SA for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the “Statutory Auditors’ Responsibilities for the Audit of the Financial Statements” section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were addressed in the context of the financial statements taken as a whole, and, in forming our opinion thereon, and we do not provide a separate opinion on specific items of the statutory financial statements.

Key Audit Matters	Responses as part of our audit
Valuation of investments (Notes 3.2.3. and 4.2 to the financial statements) As of 31 December 2021, investments are recorded in the balance sheet at a net carrying amount of €3,449 million and represent 63 % of total assets. As indicated in Note 3.2.3 to the financial statements, they are recorded as of their entry date at acquisition cost and impaired when their actual value is less than their acquisition cost. The actual value corresponds to the value in use, determined by taking into consideration revalued equity. Revalued equity of real estate companies is estimated based on valuations of investment property carried out by independent experts twice a year. These valuations take into account specific information about the assets as well as market assumptions. The valuation of investments is considered to be a key audit matter due to the importance of: • this account heading compared to total assets, • the use of assumptions and significant estimates by Management and independent experts, such as the market rental values, the discount and capitalisation rates, for the purpose of the valuation of investments; • the sensitivity of these values to assumptions adopted by the experts.	To assess the reasonableness of the value in use estimates of investments, based on the information communicated to us, our work mainly consisted in: • Verifying that the estimate of these values in use made by Management is based on an appropriate valuation method; • Checking the calculation of the share of revalued equity which takes into account in particular unrealised gains on investment properties; • Comparing the acquisition values of the securities with their value in use; • Assessing the pertinence of the disclosures presented in Note 3.2.3 and 4.2 to the annual financial statements. The procedures that we have performed on investment property valuations have mainly consisted in: • Reviewing the investment property valuation process and controls implemented by the Management, notably regarding approval and transmission of information to experts and the review of their work and conclusions; • Conducting interviews with independent appraisers and Management to assess the pertinence of the valuation methodology and assumptions used, notably those used in this complex and evolving context of global crisis related to the Covid-19 pandemic; • Assessing the competence, independence and objectivity of the external appraisers of the Group, in particular about their reputation and by verifying their certificates of independence included as a statement in their reports; • Analysing the change in fair value of each investment property and assessing the basis with respect to market changes and the rental situation of the building; • Verifying that the fair value methods used are in line with market practices, and assessing, on a sample basis, the consistency of the valuation assumptions used by the independent experts with the market data available in the current context, particularly the market rental values, the discount and capitalisation rates; • Corroborating, on a sample basis, the main information provided by the company to independent experts with rental statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of disclosures relating to the payment period required by Article D. 441-6 of the French Commercial Code.

Information relating to corporate governance

We attest that the section of the management report devoted to corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the 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 controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the 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 (*Code monétaire et financier*), prepared under the responsibility of the President and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Carmila S.A. by the Shareholders' Meeting of 25 June 2010 for KPMG and 25 June 2009 for Deloitte & Associés.

As at 31 December 2021, KPMG SA was in its 12th year of uninterrupted engagement and Deloitte & Associés in its 13th year of uninterrupted engagement.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion; The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) No. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 21 February 2022

The Statutory Auditors

KPMG SA		**Deloitte & Associés**
Eric Ropert	Adrien Johner	Stephane Rimbeuf
Partner	*Partner*	*Partner*

6.6 Statutory Auditors' special report on related-party agreements

This is a free translation into English of the statutory auditors' special report on related-party agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2021

To the Carmila SA Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related-party agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the Shareholders' Meeting

Agreements authorised and entered into during the year

We hereby inform you that we have not been advised of any agreement authorised and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements previously approved by Shareholders' Meetings

Agreements approved in previous years with continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by shareholders' meetings of prior years, had continuing effect during the year.

Renovation and Development Agreement

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA), a shareholder holding more than 10% of the voting rights of the Company.

Nature and object

The Carmila SAS Board of Directors' meeting of 31 March 2017 authorised the conclusion of an amendment to the Renovation and Development Agreement entered into between Carmila SAS and Carrefour SA on 16 April 2014. The Carmila SAS Shareholders' Meeting of 12 June 2017 approved this amendment.

As part of the merger-absorption of Carmila SAS by the Company on 12 June 2017, the Company assumed the rights and obligations of Carmila SAS with respect to the Renovation and Development Agreement entered into with Carrefour SA.

Terms and conditions

Wishing to implement a strategy designed to boost the appeal of shopping centres and optimise their value, Carmila SAS and Carrefour SA (acting in their own name and in the name and on behalf of their subsidiaries) entered into a renovation and development agreement on 16 April 2014 (the "Renovation and Development Agreement").

On 3 May 2017, Carmila SAS and Carrefour SA amended the Renovation and Development Agreement in order to:

- incorporate the new assets acquired by the Carmila group in France, Italy and Spain since 16 April 2014 within the scope of assets covered by the Renovation and Development Agreement; and
- incorporate the assets held by the Company and the principles applicable to the development and renovation transactions relating to these assets into the Renovation and Development Agreement and extend the initial term of the Renovation and Development Agreement until 31 December 2027.

No new project acquisition contracts were signed under this agreement in fiscal year 2021. The contracts signed in previous years remained in effect.

Agreement with Carrefour Management relating to the secondment of Sébastien Vanhoove

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA, as is Carrefour Management), a shareholder holding more than 10% of the voting rights of the Company.

Nature and object

The Board of Directors' meeting of 27 July 2018 authorised the conclusion of an agreement with Carrefour Management relating to the secondment of Sébastien Vanhoove.

Terms and conditions

On 1 August 2018, Carmila SA and Carrefour Management entered into a four-year partial secondment agreement, under which Sébastien Vanhoove, an employee of Carrefour Management, carries out operational tasks for the Company, for a portion of his activity, evaluated at half the time he devotes to all his duties.

During the secondment period, the Company will repay to Carrefour Management half the remuneration paid to Sébastien Vanhoove, the related social security contributions, vacation pay and the business expenses reimbursed with respect to the secondment. Considering that Sébastien Vanhoove's objectives will include, throughout the secondment period, components related to his various duties and performance with the Company, the reimbursed wages will include the variable annual compensation attributed to Sébastien Vanhoove in this respect.

Under this agreement, the Company recorded an expense of €336,715 in respect of fiscal year 2021.

Agreement with Carrefour France relating to the secondment of Alexandre de Palmas

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA, as is Carrefour France SAS), a shareholder holding more than 10% of the voting rights of the Company.

Nature and object

The Board of Directors' meeting of 26 June 2019 authorised the conclusion of an agreement with Carrefour France relating to the secondment of Alexandre de Palmas.

Terms and conditions

On 1 July 2019, Carmila SA and Carrefour France SAS entered into a three-year partial secondment agreement, under which Alexandre de Palmas, an employee of Carrefour France, carries out operational tasks for the Company, for a portion of his activity, evaluated at half the time he devotes to all his duties.

During the secondment period, the Company will repay to Carrefour France half the remuneration paid to Alexandre de Palmas, the related social security contributions, vacation pay and the business expenses reimbursed with respect to the secondment. Considering that Alexandre de Palmas' objectives will include, throughout the secondment period, components related to his various duties and performance with the Company, the reimbursed wages will include the variable annual compensation attributed to Alexandre de Palmas in this respect.

This agreement terminated on the effective date of Alexandre de Palmas' departure from the Company, i.e., 2 November 2020.

Nonetheless, an expense of €18,935 was recorded of respect of this secondment agreement in the Company's accounts in 2021 (difference between the 2020 variable compensation provision and the actual amount paid in 2021).

Amendment to the service agreement with Carrefour SA

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA), a shareholder holding more than 10% of the voting rights of the Company.

Nature and object

The Board of Directors' meeting of 26 November 2020 authorised the conclusion of an amendment to the service agreement initially entered into on 16 April 2014 and amended on 17 May 2017, under which Carrefour SA provides Carmila SAS with the expertise and resources necessary to assist it with monitoring the legal affairs of the company, tax issues and consolidation standards.

As part of the merger-absorption of Carmila SAS by the Company on 12 June 2017, the Company assumed the rights and obligations of Carmila SAS with respect to a services agreement entered into with Carrefour SA.

Terms and conditions

As the service agreement with Carrefour expired on 31 December 2020, and given the delay in renegotiations due to the Covid-19 crisis, an amendment was signed on 24 December 2020 extending its term to 28 February 2021 without modifying the terms and conditions. This amendment expired on 28 February 2021 and a new agreement was entered into on 8 March 2021, as detailed below.

Under this amendment, the Company recorded an expense of €17,000 in respect of fiscal year 2021.

Agreements approved during the year

We were also informed of the performance during the year of the following agreement, already approved by the Combined Shareholders' Meeting of 18 May 2021 based on the Statutory auditors' special report of 30 March 2021.

Service agreement with Carrefour SA

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA), a shareholder holding more than 10% of the voting rights of the Company.

Nature and object

The Board of Directors' meeting of 16 February 2021 authorised the conclusion of a service agreement under which Carrefour SA provides the Company with the expertise and resources necessary to assist it with monitoring the legal affairs of the company, tax and accounting issues and the administration of its insurance policies. This agreement was signed on 8 March 2021.

Terms and conditions

As mentioned above, the initial service agreement with Carrefour and the amendment extending its term expired on 28 February 2021. As the Company does not have the necessary resources to perform certain functions this new agreement was entered into to renew the duties delegated under the previous agreement for a term of five years expiring on 31 December 2025. The agreement provides for compensation of €102,000, excluding taxes.

Under this agreement, the Company recorded an expense of €85,000 in respect of fiscal year 2021.

Paris La Défense, 21 February 2022

The Statutory Auditors

KPMG SA		Deloitte & Associés
Eric Ropert *Partner*	Adrien Johner *Partner*	Stephane Rimbeuf *Partner*

7. Share capital and ownership structure

7.1 Share capital

7.1.1 Subscribed share capital at 31 December 2021

At 31 December 2021, the Company's share capital amounted to €875,389,008, comprising 145,614,215 class A ordinary Shares with a par value of €6 each, fully subscribed and paid up and all of the same share class, 139,306 class C preference shares with par value of €6 each, and 144,647 D Shares with a par value of €6 each.

7.1.2 Change in share capital

Changes in 2021

Capital decrease of 9 June 2021

Acting on the sub-delegation granted by the Board of Directors and having acknowledged the absence of contested claims, on 9 June 2021, the Chair and Chief Executive Officer duly noted the conversion of 112,611 B Shares into 31,850 A Shares representing a €484,566 capital reduction. Further to this transaction, the Company's share capital amounted to €855,216,708, divided into 142,536,118 shares comprising 142,389,275 A Shares, 7,537 B Shares and 139,306 C Shares.

Capital increase of 15 June 2021

The Annual General Meeting of 18 May 2021 decided to offer shareholders an option to receive the 2020 dividend in shares (i.e., €1.00 per share). Acting on the sub-delegation granted by the Board of Directors at its meeting of 18 May 2021, the Company's Chair and Chief Executive Officer decided, on 15 June 2021, to carry out a capital increase through the allocation of 3,826,562 new shares, corresponding to a capital increase for a maximum aggregate amount of €22,959,372, increasing the Company's share capital from €855,216,708 to €878,176,080.

Capital increase of 29 June 2021

On 29 June 2021, the Chair and Chief Executive Officer noted the vesting of 144,647 D Shares, increasing the share capital from €878,176,080 to €879,043,962.

Capital decrease of 16 November 2021

Acting on the sub-delegation granted by the Board of Directors and having acknowledged the absence of contested claims, on 16 November 2021, the Chair and Chief Executive Officer duly noted the conversion of 7,537 B Shares into 2,675 A Shares, representing a €29,172 capital reduction. Following this operation, Carmila's share capital amounted to €879,014,790 divided into 146,502,465 shares comprising 146,218,512 A Shares, 139,306 C Shares and 144,647 D Shares.

Capital decrease of 1 December 2021

Following the implementation of the share buyback programme and acting under the authorisation given by the Annual General Meeting of 18 May 2021 22nd and 31st resolutions), on 1 December 2021, the Chair and Chief Executive Officer duly noted the completion of the share buyback programme for a maximum amount of €8 million, as resolved by the Board of Directors on 28 July 2021, and decided to cancel 604,297 of the shares bought back, representing a €3,625,782 reduction in the share capital from €879,014,790 to €875,389,008 divided into 145,898,168 shares comprising 145,614,215 A Shares, 139,306 C Shares and 144,647 D Shares.

The summary table below shows the change in the Company's share capital during 2021:

Date	Number of shares	Share capital *(in euros)*
1 January 2021	142,357,425 A Shares(1) 120,148 B Shares(2) 139,306 C Shares(3)	€855,701,274
9 June 2021	142,389,275 A Shares(1) 7,537 B Shares(2) 139,306 C Shares(3)	€855,216,708
15 June 2021	146,215,837 A Shares(1) 7,537 B Shares(2) 139,306 C Shares(3)a	€878,176,080
29 June 2021	146,215,837 A Shares(1) 7,537 B Shares(2) 139,306 C Shares(3) 144,647 D Shares(4)	€879,043,962
16 November 2021	146,218,512 A Shares(1) 139,306 C Shares(3) 144,647 D Shares(4)	€879,014,790
1 December 2021	145,614,215 A Shares(1) 139,306 C Shares(3) 144,647 D Shares(4)	€875,389,008

(1) A Shares are ordinary shares.
(2) B Shares are preference shares and do not entitle the holder to voting rights or dividends.
(3) C Shares are preference shares and do not entitle the holder to voting rights or dividends.
(4) D Shares are preference shares with voting rights but do not entitle the holder to dividends.

Share capital over the last five years:

	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2017
Share capital	€875,389,008	€855,701,274	€820,091,058	€819,370,170	€810,360,174
Number of A Shares	145,614,215	142,357,425	136,561,695	136,561,695	135,060,029
Number of B Shares	0	120,148	120,148	N/A	N/A
Number of C Shares	139,306	139,306	N/A	N/A	N/A
Number of D Shares	144,647	N/A	N/A	N/A	N/A
Theoretical number of voting rights(1)	145,758,862	142,357,425	136,561,695	136,561,695	135,060,029
Effective number of voting rights(2)	145,596,912	142,165,749	136,408,412	136,332,347	134,946,290

(1) *The theoretical number of voting rights is calculated based on shares at 31 December, less preference shares stripped of voting rights (i.e., C shares at 31 December 2021, B and C Shares at 31 December 2020, and B Shares at 31 December 2019).*

(2) *The effective number of voting rights is calculated based on shares at 31 December, less (i) preference shares stripped of voting rights (i.e., C Shares at 31 December 2021, B and C Shares at 31 December 2020, and B Shares at 31 December 2019) and (ii) shares held in treasury that do not entitle the holder to voting rights (i.e., 161,950 shares held in treasury at 31 December 2021, 191,676 shares at 31 December 2020, 153,283 shares at 31 December 2019, 229,348 shares at 31 December 2018 and 113,739 shares at 31 December 2017).*

7.1.3 Share capital authorised but not issued – Authorisations granted to the Board of Directors

Delegations of authority currently in force

The Annual General Meeting of 18 May 2021 granted the Board of Directors the following authorisations allowing it to issue securities convertible, redeemable, exchangeable or otherwise exercisable for shares:

Resolution	Type	Amount	Duration	Expiry date	Use during 2021
22	Trading in the Company's shares	10% of the Company's share capital	18 months	18/11/2022	604,297 shares, i.e., approximately 0.41% of share capital
23	Issue of shares and/or marketable securities with pre-emptive subscription rights • Shares • Other marketable securities	€500m €2bn	26 months	18/07/2023	None
24	Issue of shares and/or marketable securities without pre-emptive subscription rights through a public offering • Shares • Other marketable securities	€165m €1bn	26 months	18/07/2023	None
25	Issue of shares and/or marketable securities without pre-emptive subscription rights, as part of a private placement • Shares • Other marketable securities	€165m €1bn	26 months	18/07/2023	None
26	Issue of shares and/or marketable securities as consideration for contributions in kind • Shares • Other marketable securities	€85m €1bn	26 months	18/07/2023	None
27	Issue price, as part of a capital increase through the issue of shares without pre-emptive subscription rights	10% of the share capital per year	26 months	18/07/2023	N/A
28	Capital increase by capitalising premiums, reserves, profits	€500m	26 months	18/07/2023	None
29	Increase in the number of shares to be issued in the event of a capital increase with or without pre-emptive subscription rights	15% of initial issue	26 months	18/07/2023	None
30	Share capital increase reserved for members of savings plans, without pre-emptive subscription rights	€85m	26 months	18/07/2023	None
31	Share capital reduction by cancellation of treasury shares	10% of share capital	26 months	18/07/2023	604,297 shares cancelled (see section 7.1.5)
32	Allocation of new or existing shares free of consideration to employees and officers of the Company and its subsidiaries	0.20% of the Company's share capital	26 months	18/07/2023	238,938 free shares allocated (see section 7.2.5)

7.1.4 Shares not representing capital

None.

7.1.5 Share buybacks

Treasury shares

At 31 December 2021, the Company held 161,950 of its own shares directly, of which 87,057 shares under the liquidity agreement, representing a value of €971,700 based on a par value of €6 per share.

Share buyback programme

The Ordinary and Extraordinary Shareholders' Meeting of 18 May 2021 authorised the Board of Directors, for a period of 18 months, to implement a share buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code (Code de commerce) and in accordance with the AMF's General Regulation, under the conditions specified below. This authorisation superseded the authorisation previously granted to the Company by the Annual General Meeting of 29 June 2020 to trade in its own shares.

Transaction	Term of the authorisation	Maximum unit price	Maximum amount	Maximum number of shares
Share buyback programme	18 months	€50	€50 million	10% of the Company's share capital

These shares may be acquired at any time up to the limits authorised by the applicable legal or regulatory provisions, including during a public tender offer and/or public exchange offer initiated by the Company or by another party for the Company's securities, for the following purposes:

- implementing any Company stock option plan pursuant to Articles L. 225-177 *et seq*. of the French Commercial Code or any similar plan;
- allocating or selling shares to employees as part of any profit-sharing plans and/or any employee savings plans pursuant to applicable law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*);
- allocating free shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- generally, meeting obligations under stock option plans or other share allocations to employees or corporate officers or affiliated companies; or
- delivering shares on the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or any other means; or
- making a market and promoting the liquidity of the Company's shares through an investment services provider, under a liquidity agreement that complies with the Code of Ethics of the French financial markets association (Association française des marchés financiers – AMAFI) approved by the AMF, in accordance with market practices approved by the AMF.

The Company may also:

- cancel all or a portion of the shares thus bought back, provided that the Board of Directors has a valid authorisation from the Shareholders' Meeting, acting in an extraordinary capacity, to reduce the share capital by cancelling shares purchased as part of a share buyback programme; or
- hold the shares for subsequent delivery as payment or in exchange as part of or following any acquisitions.

The programme is also intended to allow the Company to complete any transactions for any other purpose permitted or that may be permitted by law or the applicable regulations, including any market practices that may be permitted by the AMF after the Annual General Meeting of 18 May 2021 and, more generally, the completion of any other transaction in compliance with the applicable regulations. In such an event, the Company will inform its shareholders by way of a press release.

The maximum purchase price of the shares under the buyback programme is set at €50 (or the equivalent amount in any other currency on the same date).

The authorisation granted on 18 May 2021, in force on the filing date of this document, will end after a period of 18 months, i.e., on 18 November 2022, unless a new share buyback programme is authorised by the next Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.

Summary of the share buyback programme

For each of the purposes of the programme, the number of securities purchased was as follows:

(1) Liquidity agreement

On the settlement date of 31 December 2021, under the liquidity agreement with Exane BNP Paribas, the following assets were allocated to the liquidity account:

- 87,057 Carmila shares;
- €1,304,017.

At the last half-year review (30 June 2021), the following assets were allocated to the liquidity account:

- 112,910 Carmila shares;
- €991,074.

Under the liquidity agreement, during 2021, 420,911 shares were purchased at an average price of €12.7297 per share and 450,637 shares were sold at an average price of €12.9334 per share.

(2) Purchase of shares earmarked to cover free share plans for employees and executive corporate officers (Articles L. 225-197-1 *et seq.* of the French Commercial Code)

In 2021, the Company did not engage any investment services providers (ISPs) to cover free share plans for employees and corporate officers.

(3) Cancellation of shares

On 1 December 2021, the Company cancelled 604,297 shares purchased under the buyback programme authorised by the Board of Directors at its 28 July 2021 meeting for a maximum amount of €8 million.

(4) Sale of treasury shares

In 2021, the Company did not sell any treasury shares.

At its meeting of 16 February 2022, using the authorisation granted by the Annual General Meeting of 18 May 2021, the Board of Directors authorised a new share buyback programme for a maximum amount of €20 million over the period from 21 February 2022 and 31 December 2022. On 23 March 2022, Carmila bought back 1.05 million of its own shares for €14.5 million, in connection with the sale by LVS II Lux VII Sarl via Goldman Sachs of €6.8 million Carmila shares, thereby concluding the €20 million share buyback programme.

At its meeting of 24 March 2022, the Board of Directors authorised a new share buyback programme, to be executed through an investment service provider, for a maximum amount of €10 million. The buyback period opened on 25 March 2022 and is set to end on 31 December 2022, at the latest. Shares bought back under this programme will be held for cancellation.

At 28 February 2022, the Company held 201,306 shares in treasury, including 63,166 in the liquidity account and 63,247 shares acquired under the buyback programme launched on 21 February 2022, representing approximately 0.13% of the share capital. Consequently, the maximum number of additional shares that can theoretically be purchased under this authorisation is 14,450,757.

At 31 December 2021 and 28 February 2022, the Company's position was as follows:

	31 Dec. 2021	28 Feb. 2022
Number of shares held in the portfolio	161,950	201,326
Percentage of capital owned directly and indirectly	0.11%	0.13%
Number of shares cancelled in the last 24 months	604,297	604,297
Book value of the portfolio *(in euros)*	2,350,884	2,850,430
Market value of the portfolio *(in euros)*[1]	2,244,627	3,152,452

(1) Calculated based on the closing share price on 31 December 2021 (i.e., €13.860, and on 28 February 2022, i.e., €15.660).

7.1.6 Securities giving access to the share capital

At the date of this document, there are no securities in circulation that are exchangeable for or convertible into shares of the Company or its subsidiaries or with subscription warrants attached in respect of shares of the Company or its subsidiaries

7.1.7 Conditions governing vesting rights and/or obligations attached to capital subscribed, but not paid-up

None.

7.1.8 Share capital of any Group companies subject to options or option agreements

None.

7.2 Ownership structure

7.2.1 Description of the Company's ownership structure and voting rights

Share capital at 31 December 2021

Shareholders	Number of shares	Percentage of share capital(5)	Percentage of voting rights(6)
CRFP 13(1)	51,815,353	35.51%	35.59%
Predica(2)	14,068,956	9.64%	9.66%
Cardif Assurance Vie(3)	12,944,249	8.87%	8.89%
SA Sogecap(4)	8,224,492	5.64%	5.65%
Treasury shares	161,950	0.11%	None
Management and employees	183,367	0.13%	0.13%
C Shares	139,306	0.10%	None
D Shares	144,647	0.10%	0.10%
Public	58,215,848	39.90%	39.98%
TOTAL	**145,898,168**	**100.00%**	**100.00%**

(1) CRFP 13 is controlled by Carrefour.
(2) Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.
(3) Cardif Assurance Vie is controlled by BNP Paribas.
(4) SA Sogecap is controlled by Société Générale.
(5) Calculated on the basis of the 145,898,168 shares comprising the share capital.
(6) Calculated on the basis of 145,596,912 shares, less the 139,306 C Shares and 144,647 D Shares that are stripped of voting rights and the 161,950 treasury shares in the Company that do not entitle the holder to voting rights.

The share capital and voting rights broke down as follows at 31 December 2020 and 31 December 2019:

Share capital at 31 December 2020

Shareholders	Number of shares	Percentage of share capital(6)	Percentage of voting rights(7)
CRFP 13(1)	50,487,683	35.40%	35.51%
Predica(2)	13,708,493	9.61%	9.64%
Cardif Assurance Vie(3)	12,605,243	8.84%	8.87%
Colkart(4)	12,528,507	8.78%	8.81%
SA Sogecap(5)	8,466,304	5.94%	5.95%
Treasury shares	191,676	0.13%	N/A
Management and employees	168,795	0.12%	0.12%
B Shares	120,148	0.08%	None
C Shares	139,306	0.10%	None
Public	44,200,724	31.00%	31.10%
TOTAL	**142,616,879**	**100.00%**	**100.00%**

(1) CRFP 13 is controlled by Carrefour.
(2) Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.
(3) Cardif Assurance Vie is controlled by BNP Paribas.
(4) Colkart comprises Colkart Sarl and Tiera capital SCA – Colkart Subfund, which respectively own 10,478,201 shares representing 7.35% of the share capital, and 2,050,306 shares representing 1.44% of the share capital.
(5) SA Sogecap is controlled by Société Générale.
(6) Calculated on the basis of the 142,616,879 shares comprising the share capital.
(7) Calculated on the basis of 142,165,749 shares, less the 120,148 B Shares and 139,306 C Shares that are stripped of voting rights and the 191,676 treasury shares in the Company that do not entitle the holder to voting rights.

Share capital at 31 December 2019

Shareholders	Number of shares	Percentage of share capital[(7)]	Percentage of voting rights[(8)]
CRFP 13[(1)]	48,288,568	35.33%	35.40%
Predica[(2)]	12,564,212	9.19%	9.21%
Cardif Assurance Vie[(3)]	12,060,973	8.82%	8.84%
Colkart Sarl[(4)]	10,087,738	7.38%	7.40%
SA Sogecap[(5)]	7,759,603	5.68%	5.69%
Colkart II Sarl[(6)]	1,973,903	1.44%	1.45%
Treasury shares	153,283	0.11%	N/A
Management and employees	165,977	0.12%	0.12%
B Shares	120,148	0.09%	None
Public	43,507,438	31.83%	31.89%
TOTAL	**136,681,843**	**100.00%**	**100.00%**

(1) *CRFP 13 is controlled by Carrefour.*
(2) *Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.*
(3) *Cardif Assurance Vie is controlled by BNP Paribas.*
(4) *Colkart Sarl is controlled by Colkart Investment SCS whose general and managing partner is Colony Retail Europe III Sarl.*
(5) *SA Sogecap is controlled by Société Générale.*
(6) *Colkart II Sarl is controlled by Colkart Investment II SCS, whose general and managing partner is Colony Retail Europe III Sarl.*
(7) *Calculated on the basis of the 136,681,843 shares comprising the share capital.*
(8) *Calculated on the basis of the 136,408,412 shares, 120,148 B Shares and 153,283 treasury shares in the Company that do not entitle the holder to voting rights.*

7.2.2 Threshold crossing declarations

Pursuant to Article L. 233-7 of the French Commercial Code, any natural person or legal entity, acting alone or in concert, that comes to hold a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's share capital or voting rights, must report their holding to the Company and to the AMF, indicating the total number of shares and voting rights held, within four trading days from the date on which the applicable threshold is crossed. All threshold crossings reported to the AMF are made public by the AMF. The same information must also be reported, in the same time period and under the same conditions, when the percentage of share capital or voting rights falls below the aforementioned thresholds. If threshold crossings are not properly disclosed, the shares exceeding the percentage that should have been disclosed in accordance with the aforementioned legal provisions shall be stripped of their voting rights at any Annual General Meeting held up to two years following the date on which the threshold crossing is finally reported.

In addition to the legal thresholds, Article 8 of Carmila's By-Laws provides that any natural person or legal entity, acting alone or in concert, that comes to hold a number of shares representing 1% or more of the share capital or voting rights, or any multiple thereof, up to a total of 30% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights held, as well as the number of securities giving access to the share capital in the future, and any voting rights potentially attached to those shares, and any shares that such person may acquire by virtue of an agreement or financial instrument. In each case, the information must be reported by registered letter with acknowledgement of receipt within five trading days from the date on which the applicable threshold is crossed. The obligation to inform the Company also applies in cases where the share capital or voting rights held by the shareholder falls below the aforementioned thresholds.

As in the event of failure to comply with the obligation to declare the crossing of a legal threshold, the penalties provided for in Article L. 233-14 of the French Commercial Code also apply in the event of failure to declare the crossing of the thresholds specified in Carmila's own By-Laws, at the request of one or more shareholders holding at least 5% of the share capital or voting rights of the Company, such request being duly recorded in the minutes of the Annual General Meeting.

A standard form to declare the crossing of a legal threshold is available on the AMF website.

To the best of the Company's knowledge, and since 31 December 2020:

- on 2 August 2021, Colony Retail Europe III Sarl notified the Company that on 29 July 2021 it had crossed below the threshold of 5% of the Company's share capital and voting rights and that it held 5,363,430 of the Company's shares;
- on 2 August 2021, Colony Retail Europe III Sarl notified the Company that, in the context of two off-market sales on 29 July 2021, Colkart Sarl sold 5,363,429 Carmila shares to its sole shareholder, Colkart Investment SCS, and that Colkart Investment SCS immediately sold on the same shares to one of its shareholders, Clouse SA;
- on 3 August 2021, Paramount Services Holding Limited notified the Company that it had crossed above the threshold of 3% of the Company's share capital and voting rights further to the acquisition of 5,363,429 Carmila shares in an off-market transaction on 29 July 2021.

7.2.3 Shareholders' agreements

None.

7.2.4 Employee and corporate officer share ownership

Transactions in the Company's securities by corporate officers, including senior executives and related persons

Pursuant to the provisions of Article 223-26 of the AMF's General Regulation, we hereby inform you of the transactions carried out in 2021 by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Transaction date	First name/Last name or company name	Position at the Company on the day of the transaction	Type of transaction	Type of financial instrument	Number of shares	Unit price *(in euros)*	Transaction amount *(in euros)*
15/06/2021	Sogecap SA	Director	Purchase	Shares	222,617	12.5500	2,793,843.35
15/06/2021	Cardif Assurance Vie	Director	Purchase	Shares	334,654	12.5500	4,199,907.70
15/06/2021	Predica SA	Director	Purchase	Shares	360,463	12.5500	4,523,810.65
15/06/2021	Marie Cheval	Chair and Chief Executive Officer	Purchase	Shares	439	12.5500	5,509.45
15/06/2021	Sébastien Vanhoove	Deputy Chief Executive Officer	Purchase	Shares	68	12.5500	853.40
14/10/2021	Sébastien Vanhoove	Deputy Chief Executive Officer	Purchase	Shares	2,675	0	0
21/12/2021	Sébastien Vanhoove	Deputy Chief Executive Officer	Sale	Shares	2,675	13.6219	36,438.58

Employee share ownership

At 31 December 2021, shares held by Group employees and corporate officers within the meaning of Article L. 225-102 of the French Commercial Code represented 0.13% of the share capital.

7.2.5 Stock options and free share allocations

Stock options

There are no stock option plans in force at 31 December 2021.

Free share allocations

Using the authorisations granted by the Extraordinary Shareholders' Meeting, since 2017, the Board of Directors has implemented free and preference share plans for managers and senior executives.

The vesting of free shares is subject to continuous service and performance conditions concerning the Company's performance assessed over a defined period as the basis for determining the proportion of vested shares.

2018 Free Preference Share Plans (FPSP) 1 and 2

Following a decision taken by the Board of Directors on 16 May 2018, in 2018 the Company set up a share plan for its senior executives and employees, in the form of free class B preference shares ("**B Shares**") convertible into ordinary shares ("**A Shares**") based on the achievement of performance criteria (described below).

The allocation comprised a total of 125,746 preference shares, of which 22,804 preference shares were allocated to Jacques Ehrmann, 7,537 preference shares to Yves Cadelano and 15,073 preference shares to Géry Robert-Ambroix ("**2018 FPSP 1**"). The plan is conditional upon (i) continued service within the Company at the end of each vesting period, and (ii) the following performance conditions:

- change in overall yield (corresponding to the year-on-year change in the triple net asset value [NNNAV] from 31 December 2017 to 31 December 2020 after adding back distributions during the period) compared to a panel of comparable real estate companies;
- average annual growth in recurring earnings per share (corresponding to the average annual growth, expressed as a percentage, in recurring earnings per Carmila share for 2020 compared with the recurring earnings per Carmila share for 2017, calculated based on the number of shares outstanding at 31 December 2017); and
- the difference between the 2020 share price (corresponding to the average closing price of the Carmila share over the last 40 trading days in 2020, restated for the possible distribution of a deposit during the period) and the triple net asset value (EPRA NNNAV) at 31 December 2019.

As Yves Cadélano forfeited his share allocation rights following his departure from the Company on 31 July 2018, a new allocation was made based on the total number of shares approved by the Annual General Meeting of 16 May 2018, in favour of a single beneficiary. An additional plan with specific vesting/holding periods was approved on 24 October 2018 by the Board of Directors, which decided to allocate 7,537 preference shares to Sébastien Vanhoove, subject to the same service and performance conditions as those governing the free preference share plan approved on 16 May 2018 and referred to above ("**2018 FPSP 2**").

The maximum total number of ordinary shares that could be created as a result of the conversion of the preference shares allocated under the two plans may not represent more than 0.09% of the Company's share capital at the date of the Annual General Meeting of 16 May 2019 or more than 0.04% for the shares allocated to the corporate officers.

At its meeting on 16 May 2019, the Board of Directors voted to increase the share capital by €675,666 by creating 112,611 B Shares, and to amend the By-Laws accordingly. Acting on the authorisation given by the Annual General Meeting of 16 May 2018, at its meeting of 24 October 2018, the Board of Directors voted to approve a second B Share plan, subject to a one-year vesting period. Following the end of the vesting period on 24 October 2019, at its meeting on the same day, the Board of Directors voted to increase the share capital by €45,222 by creating 7,537 B Shares, and to amend the By-Laws accordingly.

Jacques Ehrmann, the Company's Chairman and Chief Executive Officer until 30 June 2019, retained his rights to the 22,804 B Shares received on 16 May 2019, in accordance with the rules of the 2018 Preference Share Plan, allocated by the Board at its meeting on 16 May 2018. However, he forfeited his rights to any other free or preference share plans in respect of his office that had not vested or been converted into ordinary shares.

On 18 May 2021, the Board of Directors duly noted the attainment rate of the 2018 Preference Share Plan 1 performance conditions and set the conversion ratio at 35.5% (one of three objectives achieved), and that consequently, in view of the continuous service of the beneficiaries within the Company, that the 112,611 B Shares allocated entitled holders to convert them into 31,850 A Shares, of which 1,619 for Jacques Ehrmann and 5,351 for Géry Robert-Ambroix.

On 25 October 2021, the Board of Directors duly noted, on the basis of the same ratio, the conversion of 7,537 B Shares into 2,675 A Shares for Sébastien Vanhoove, Deputy Chief Executive Officer of the Company.

Summary of A Shares vested in 2021

Date of the Annual General Meeting	Date of the Board of Directors' meeting/Date of allocation	Category of shares allocated	Number of shares originally allocated under the plan	Vesting date of free shares	Number of shares issued	Date of conversion into A Shares	Number of unconverted shares/ cancelled share rights	Number of A Shares vested in 2021
16/05/2018	16/05/2018	B Shares	125,746	16/05/2019	112,611	16/05/2021	80,761	31,850
24/10/2018	24/10/2018	B Shares	7,537	24/10/2019	7,537	24/10/2021	4,862	2,675
TOTAL			**133,283**		**120,148**		**85,623**	**34,525**

2019 Free Preference Share Plan (FPSP)

Following a decision taken by the Board of Directors on 16 May 2019, in 2019 the Company set up a share plan for its senior executives and employees, in the form of free class C preference shares ("**C Shares**") convertible into ordinary shares based on the achievement of performance criteria (described below). The plan comprised a total of 144,906 preference shares, of which 6,962 were allocated to Sébastien Vanhoove and 16,244 to Géry Robert-Ambroix and 121,700 for key employees ("**2019 FPSP**"). As it was noted at the meeting that Jacques Ehrmann would be leaving the Board of Directors, no preference shares were allocated to him under the plan.

The plan is conditional upon (i) continued service within the Company at the end of each vesting period, and (ii) the following performance conditions:

- change in overall yield (corresponding to the year-on-year change in triple net asset value [NNNAV] from 31 December 2018 to 31 December 2021, after adding back distributions during the period) compared to a panel of comparable real estate companies;
- annual growth in recurring earnings per share for 2019, 2020 and 2021 compared with the growth commitment made to the financial markets by the Company at the start of each year upon the publication of the Company's prior-year results;
- the percentage (in appraisal value, including transfer taxes) of assets in the Company's portfolio for which environmental certification was obtained at 31 December 2021;
- change in the total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing the average closing price over the last 40 trading days in 2021, to which will be added any distributions between 1 January 2019 and 31 December 2021, by the closing price at 31 December 2018, i.e., €16.16.

The maximum total number of ordinary shares that may be created as a result of the conversion of the class C preference shares allocated under the plan may not represent more than 0.11% of the Company's share capital at the date of the Annual General Meeting of 16 May 2019 or more than 0.02% for the shares allocated to the corporate officers.

At its meeting on 16 May 2020, the Board of Directors decided to increase the share capital by €835,836 by creating 139,306 C Shares, and to amend the By-Laws accordingly.

At its 26 November 2020 meeting, the Board of Directors decided that upon his departure, Géry Robert-Ambroix, Deputy Chief Executive Officer and Asset Valuation and Investment Director under an employment contract with Almia Management, would retain the 16,244 C Shares allocated to him.

2020 Preference Share Plan

Following a decision taken by the Board of Directors on 29 June 2020, in 2020 the Company set up a new share plan for its senior executives and employees, in the form of free preference shares convertible into ordinary shares based on the achievement of performance criteria (described below). The plan comprised a total of 150,000 preference shares, of which 13,587 were allocated to Alexandre de Palmas, 6,114 to Sébastien Vanhoove and 14,266 to Géry Robert-Ambroix, and 111,780 for key employees.

The plan is conditional upon (i) continued service within the Company at the end of each vesting period, and (ii) the following performance conditions:

- change in overall yield (corresponding to the year-on-year change in triple net asset value [NNNAV] from 31 December 2019 to 31 December 2022 after adding back distributions during the period) compared to a panel of comparable real estate companies;
- annual growth in recurring earnings per share for 2020, 2021 and 2022 compared with the growth commitments made to the financial markets by the Company at the start of each year upon the publication of the Company's prior-year results;
- the percentage (in appraisal value, including transfer taxes) of assets in the Company's portfolio for which environmental certification was obtained at 31 December 2022;
- change in the total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing the average closing price over the last 40 trading days in 2022, to which will be added any distributions between 1 January 2020 and 31 December 2022, by the closing price at 31 December 2019, i.e., €18.40.

The maximum total number of ordinary shares that may be created as a result of the conversion of the preference shares allocated under the plan may not represent more than 0.11% of the Company's share capital at the date of the Annual General Meeting of 29 June 2020 or more than 0.02% for the shares allocated to the corporate officers.

At its 26 November 2020 meeting, the Board of Directors decided that Alexandre de Palmas, having stepped down from his position as Chairman and Chief Executive Officer of Carmila, further to his appointment as Executive Director of Carrefour Spain, would retain his rights to the D Shares allocated to him, in accordance with the terms and conditions set out in the regulations of the 2020 Preference Share Plan, to the extent that he continues to hold a position within the Carrefour group.

At the same meeting, the Board of Directors decided that Géry Robert-Ambroix, Deputy Chief Executive Officer and Asset Valuation and Investment Director under an employment contract with Almia Management, would retain the 14,266 D Shares allocated to him.

2021 Free Share Plan (FSP)

Following a decision taken by the Board of Directors on 18 May 2021, in 2021 the Company set up a free share plan for its senior executives and employees (the "**2021 FSP**") subject to service and performance conditions. The plan comprised a total of 238,938 free shares, of which 44,248 were allocated to Marie Cheval, 11,615 to Sébastien Vanhoove and 183,075 to key employees.

The plan is conditional upon (i) continued service within the Company at the end of a three-year vesting period (i.e., 18 May 2024), and (ii) the following performance conditions assessed over three years (2021-2023):

- performance condition 1 (25% of the allocation): change in the total shareholder return (TSR) corresponding to the change in EPRA Net Tangible Assets (NTA) at 31 December 2023, after adding back distributions over the 2021-2023 period and EPRA NTA at 31 December 2020, compared to a panel of comparable listed real estate companies.
- performance condition 2 (25% of the allocation): average recurring earnings per share over the 2021-2023 period.
- performance condition 3 (25% of the allocation): CSR criteria including objectives related to the Gender Equality Index, the Carbon Disclosure Project (CDP) rating and GRESB rating at 31 December 2023.
- performance condition 4 (25% of the allocation): Carmila's total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing (i) the average closing price over the last 40 trading days in 2023, to which will be added any distributions between 1 January 2021 and 31 December 2023; and (ii) the average of closing prices in the last 40 trading days of 2020.

The maximum total number of free shares allocated under the plan may not represent more than 0.20% of the Company's share capital at the date of the Annual General Meeting of 18 May 2021 or more than 0.05% for the shares allocated to the corporate officers.

Details of plans in force as of 31 December 2021:

Plan	2019 FPSP(1)	2020 FPSP(2)	2021 Free Share Plan (FSP)
Date of Carmila Annual General Meeting	16/05/2019	29/06/2020	18/05/2021
Date of allocation by Carmila	16/05/2019	29/06/2020	18/05/2021
Number of beneficiaries	46	47	51
Number of Carmila shares originally allocated under the plan	144,906	145,747	238,938
• o/w Marie Cheval	N/A	N/A	44,248
• o/w Alexandre de Palmas	N/A	13,587(3)	N/A
• o/w Géry Robert-Ambroix	16,244(4)	14,266(4)	N/A
• o/w Sébastien Vanhoove	6,962	6,114	11,615
• o/w other employees	121,700	111,780	183,075
Number of preference shares issued	139,306	144,647	-
Residual number of preference shares to be converted or free shares to be allocated at 31 December 2021	129,326	141,927	230,638
Issue and vesting dates of C Shares(1)	16 May 2020	N/A	N/A
Issue and vesting dates of D Shares(2)	N/A	29/06/2021	N/A
Date of conversion of preference shares into ordinary shares (A Shares)	16/05/2022	29/06/2023	N/A
Number of share rights cancelled	N/A	N/A	8,300
Vesting date	16 May 2020	29/06/2021	18/05/2024
Availability date	16/05/2022	29/06/2023	19/05/2024

(1) The preference share plans provide for the creation of C Shares one year after the allocation date, which vest to the beneficiaries and will be converted into ordinary Carmila shares at the end of the plan subject to service and performance conditions.

(2) The preference share plans provide for the creation of D Shares one year after the allocation date, which vest to the beneficiaries and will be converted into ordinary Carmila shares at the end of the plan subject to service and performance conditions.

(3) On 26 November 2020, the Board of Directors decided that Alexandre de Palmas, formerly Chief Executive Officer, would retain his rights to D Shares, in accordance with the terms and conditions of the 2020 FPSP plan rules.

(4) On 26 November 2020, the Board of Directors decided that Géry Robert-Ambroix, formerly Deputy Chief Executive Officer, would retain his rights to C and D Shares, in the context of his departure from the Company.

7.2.6 Agreements which may lead to a change of control

To the best of Carmila's knowledge, at the date of this document, no agreement exists that could result in a change of control over Carmila.

7.2.7 Information governed by Articles L. 233-13 et seq. of the French Commercial Code

At 31 December 2021, the share capital of the Company was held by the following major shareholders:

- Carrefour SA, a French joint-stock company with its head office at 93 avenue de Paris, 91300 Massy, France, held more than one-third of the share capital and voting rights;
- Predica, with its head office at 50-56 rue de la Procession, 75015 Paris, France held more than one-twentieth of the share capital and voting rights;
- Cardif Assurance vie, with its head office at 1 boulevard Haussmann, 75009 Paris, France held more than one-twentieth of the share capital and voting rights.

7.2.8 Effects of a public tender offer or public exchange offer (Article L. 22-10-11 of the French Commercial Code)

To the best of the Company's knowledge, its ownership structure is as set out in the table in Section 7.2.1 of this Universal Registration Document.

The Company has not issued any securities carrying special control rights and no control mechanism is provided for in any employee share ownership scheme, where control rights are not exercised by employees.

To the best of Carmila's knowledge, at the date of this document, no agreement exists that would be changed or terminated in the event of a change of control of the Company.

In addition, there are no agreements providing for compensation for the members of the Board of Directors or employees if they resign or are dismissed without just cause, or if their office or employment is terminated as a result of a public offer.

8. Additional information

8.1 Information on the Company

8.1.1 Legal and commercial name

The Company is registered under the corporate name "Carmila".

8.1.2 Registration place and number

The Company is registered with the Nanterre Trade and Companies Registry under number 381 844 471.

The Company's Legal Entity Identifier is 222100P6D3QKU33LZQ72.

8.1.3 Date of incorporation and term

The Company was incorporated on 6 March 1991 for a term to expire on 1 May 2090, except in the event of an early dissolution or an extension provided for in the By-Laws.

8.1.4 Registered office, legal form and applicable jurisdiction

The Company's registered office is at 58, avenue Émile-Zola, 92100 Boulogne-Billancourt, France (Tel.: +33 1 58 33 64 99).

The Company's website is: carmila.com (information provided on the Company's website will not be included in the prospectus, unless such information is included by reference in the prospectus).

The Company is a joint-stock company (société anonyme) incorporated under French law with a Board of Directors, and is governed by the laws and regulatory provisions of the French Commercial Code (Code de commerce).

8.2 Articles of incorporation and By-Laws

The Company's By-Laws were modified on 12 June 2017, following the merger of the same date. These amendments were mainly related to (i) the extension of Directors' terms of office from three to four years and the inclusion of an option to shorten terms in order to allow for the staggered re-appointment of the Board of Directors, in accordance with the recommendations of the AFEP/MEDEF Code, (ii) the option to appoint Non-Voting Directors to assist the Board of Directors and (iii) a number of drafting changes and amendments in response to new provisions of the French Civil Code (Code civil) or certain conditions concerning the Company's distributions.

The By-Laws were also modified to take into account capital increases as well as compliance with legislative and regulatory developments. The main changes are presented below:

- On 6 July 2017, Carmila completed a placement, launched on 25 June 2017, of 23,041,668 new shares for a total amount of €578 million, including a €75 million greenshoe option. This operation included an additional period to allow Carmila shareholders who had not sold or exercised their share subscription warrants to exercise them before 17 July 2017. Consequently, the total number of shares issued (excluding the exercise of the greenshoe option) was 23,123,818 ordinary shares for a total amount of €555.0 million including i) 20,958,334 shares issued as part of the share placement representing €503.0 million, and ii) 2,165,484 shares issued following the exercise of the remaining warrants (including the subscription of Carrefour through the partial exercise of its share subscription warrants for a total amount of €50 million) representing €52.0 million. The settlement and delivery of the 82,150 new shares issued through the exercise of the warrants since 10 July 2017 took place on 25 July 2017. Following the exercise of the remaining warrants, and upon issuance of the corresponding additional new shares, Carmila's outstanding share capital was composed of 131,992,047 shares. The By-Laws were modified accordingly on 25 July 2017.
- In connection with the capital increase of 6 July 2017, a stabilisation agent, acting in the name and on behalf of the underwriters, exercised the greenshoe option granted in the offering for the purchase of 3,067,982 additional new shares. The proceeds from the exercise of the greenshoe option amounted to €73.6 million, raising the total capital increase to €628.6 million. Following the completion of the capital increase and the exercise of the greenshoe option, Carmila's share capital comprised 135,060,029 shares. The By-Laws were modified accordingly on 31 July 2017.
- The Annual General Meeting held on 16 May 2018 decided to offer shareholders an option to receive the balance of the 2017 dividend payment in shares (i.e., €0.75 per share). The option period was opened from 23 May 2018 to 6 June 2018 inclusive. At the end of the option period, shareholders having elected to receive the balance of the 2017 dividend in shares represented 34.27% of Carmila shares. For the purposes of the dividend payment in shares, 1,501,666 new shares were issued. The settlement and delivery of the shares as well as their admission to trading on Euronext Paris occurred on 14 June 2018. After this capital increase, the number of outstanding Carmila shares was 136,561,695. The By-Laws were modified accordingly.
- The Company's By-Laws were amended on 16 May 2019 and 24 October 2019, so as to implement the creation of a new B share class ("B Shares"), which are preference shares issued in accordance with Articles L. 228-11 et seq. of the French Commercial Code, in connection with the allocation of preference shares to Group employees.
- The Company's By-Laws were also amended on 16 May 2020, so as to implement the creation of a new C share class ("C Shares"), which are preference shares issued in accordance with Articles L. 228-11 et seq. of the French Commercial Code, in connection with the allocation of preference shares to Group employees.

  The Annual General Meeting held on 29 June 2020 decided on the following modifications to Carmila's By-Laws:

  - The addition of Carmila's purpose statement in the preamble of the By-Laws, defined as follows: *"At Carmila, proximity is at the heart of everything we do. We provide everybody with access to a responsible offering of everyday, useful products and services. We connect retailers and customers as closely as possible to where people live. We develop and manage centres on a human scale that are practical and friendly, and which create ties, revitalising local regions and fostering a sense of community. Partnering with retailers and our tenants, we innovate alongside them to develop services that improve our customers' shopping experience and offer them a pleasant and simple time. Through our proximity to the communities we serve, we fulfil our mission: simplify and enhance everyday life for retailers and customers in all our regions."*

- Bringing the By-Laws into line with certain provisions of the Pacte Law of 22 May 2019 and the Soilihi Law of 19 July 2019 and, in particular, amending Article 12.3 of the By-Laws in order to allow the Board of Directors to take certain decisions by written consultation, and to digitalise the attendance register and the register of decisions of the Board of Directors, and Article 16.1 in order to adjust the wording used to refer to Directors' compensation, previously referred to as attendance fees.
- The amendment of Article 18 of the By-Laws to specify that the Company is not required to appoint alternate statutory auditors, in accordance with French law no. 2016-1691 of 9 December 2016 (Sapin II Law).
- The amendment of Article 25 of the By-Laws in order to take into account the provisions of the tax regime for listed real estate investment companies in Spain ("SOCIMI"), which provides for the application of a withholding tax on dividend distributions made to shareholders who hold, directly or indirectly, a certain percentage in the distributing company and who do not justify that they are subject to a minimum tax rate on such dividends.
- On 27 July 2020, the Chairman and Chief Executive Officer noted the completion of the Company's capital increase following the exercise by shareholders of the option to receive payment of the dividend in shares as proposed at the Annual General Meeting of 29 June 2020, and consequently the issue of 5,795,730 new shares, i.e., an aggregate capital increase of €34,774,380. Following this operation, Carmila's share capital amounted to €855,701,274, divided into 142,616,879 shares with a par value of €6 each.
- On 9 June 2021, acting on the sub-delegation granted by the Board of Directors and having acknowledged the absence of contested claims, the Chair and Chief Executive Officer duly noted the conversion of 112,611 B Shares into 31,850 A Shares, and the resulting €484,566 capital reduction, and amended the Company's By-Laws to reflect the new capital.
- On 15 June 2021, the Chair and Chief Executive Officer noted the completion of the Company's capital increase following the exercise by shareholders of the option to receive payment of the dividend in shares as proposed at the Annual General Meeting of 18 May 2021, and consequently the issue of 3,826,562 new shares, i.e., a nominal capital increase of €22,959,372. Following this operation, Carmila's share capital amounted to €878,176,080, divided into 146,362,680 shares with a par value of €6 each.
- On 29 June 2021, the Chair and Chief Executive Officer noted the vesting of 144,647 D Shares, increasing the share capital from €878,176,080 to €879,043,962.
- On 16 November 2021, acting on the sub-delegation granted by the Board of Directors and having acknowledged the absence of contested claims, the Chair and Chief Executive Officer duly noted the conversion of 7,537 B Shares into 2,675 A Shares, and the resulting €29,172 capital reduction. Further to this operation, the Company's share capital amounted to €879,014,790 comprising 146,502,465 shares, including 146,218,512 A Shares, 139,306 C Shares and 144,647 D Shares. The Chair and Chief Executive Officer decided to amend articles 8, 10 and 23 of the By-Laws to strike out all references to B Shares, which have now been entirely converted.
- On 1 December 2021, the Chair and Chief Executive Officer noted the completion of the share buyback programme of up to €8 million approved by the Board of Directors on 28 July 2021, and decided to (i) cancel the 604,297 shares bought back and (ii) reduce the share capital by €3,625,782, from €879,014,790 to €875,389,008 comprising 145,898,168 shares, including 145,614,215 A Shares, 139,306 C Shares and 144,647 D Shares.

The main provisions of the By-Laws are described below.

8.2.1 Corporate purpose (Article 3 of the By-Laws)

Pursuant to Article 3 of the By-Laws, the Company's main purpose is to acquire or construct commercial or industrial buildings or groups of buildings for leasing or rental purposes, to directly or indirectly hold equity interests in legal entities whose purpose is to acquire or construct buildings or groups of commercial buildings for leasing or rental purposes, and, more generally, to hold and operate sites and commercial or industrial buildings or groups of buildings, and in particular, shopping centres, located in France and abroad, for leasing or rental purposes, to:

- acquire by any means (including through exchange or contribution or any other type of transfer) and/or construct any sites, buildings, assets and property rights for leasing or rental purposes; to manage, administer, rent, lease and develop any sites, assets and property rights; to furnish and equip all building complexes for rent; and any other activities associated with or related to the abovementioned business, directly or indirectly, acting alone or through an association, joint venture, group or company with any other persons or companies;
- participate, by any means, in transactions relating to its purpose by way of acquisition of equity interests or investments, by any means and in any form, in any French or foreign real estate, industrial, financial or commercial company, in particular by way of acquisition, creation of new companies, subscription or purchase of securities or corporate rights, contributions, mergers, alliances, joint ventures, economic interest groups or otherwise, as well as to administer, manage and control these equity interests or investments;
- on an exceptional basis: exchange or dispose of securities held, property rights or assets or real estate acquired or built for leasing or rental purposes in accordance with the Company's main purpose by way of sale, contribution or otherwise; and
- generally, all commercial, financial and industrial transactions, as well as all transactions in movable or real property relating directly or indirectly to the purpose of the Company and any similar or connected purpose likely to facilitate the completion thereof or promoting its extension or development (including, in particular, concerning buildings or groups of buildings for leasing or rental purposes, other than for commercial purposes).

8.2.2 Rights, privileges and restrictions with respect to shares

Class of shares (Article 7 of the By-Laws)

The shares are divided into three classes: 145,614,215 A Shares, which are ordinary shares; 139,306 C Shares, and 144,647 D Shares which are preference shares issued in accordance with Articles L. 228-11 et seq. of the French Commercial Code.

A Shares

Voting rights (Article 10 of the By-Laws)

Each A Share entitles the holder to one (1) vote.

Dividends rights and liquidation dividends rights (Article 10 of the By-Laws)

Each A share entitles the holder to dividend rights in proportion to the number of existing A shares. Each share entitles the holder to liquidation dividends in proportion to the number of existing shares.

C Shares and D Shares

Voting rights (Article 10 of the By-Laws)

C Shares do not carry voting rights.

D Shares do not carry voting rights.

Dividends rights and liquidation dividends rights (Article 10 of the By-Laws)

C and D Shares do not carry dividend rights. Each share entitles the holder to liquidation dividends in proportion to the number of existing shares.

Conversion into A Shares (Article 10 of the By-Laws)

After the C and D Share lock-up period determined in the C and D Share plans under which they are allocated, B and C Shares will automatically be converted into A Shares, it being specified that, with respect to the Company's corporate officers, the Board of Directors would have the option of delaying the conversion date to the date of termination of their duties as corporate officers within the Company.

Each C and D Share would carry the right of a maximum of one (1) A Share, subject to meeting the performance conditions as provided under Article 10 of the By-Laws. The number of A Shares that may result from the conversion of the C and D Shares will be calculated by the Board of Directors on the lock-up period expiry date according to the extent to which the performance conditions have been met, it being stated that if the average attainment rate of the applicable performance conditions exceeds 100%, the conversion ratio will be, as the case may be, one (1) A Share for one (1) C Share or one (1) A Share for one (1) D Share.

The maximum total number of A Shares likely to result from the conversion of C Shares may not exceed 180,000. This number does not take into account any adjustments made to preserve the rights of the beneficiaries of C Shares, in accordance with the relevant legal and regulatory provisions and, where necessary, contractual provisions.

The maximum total number of A Shares likely to result from the conversion of D Shares may not exceed 150,000. This number does not take into account any adjustments made to preserve the rights of the beneficiaries of D Shares, in accordance with the relevant legal and regulatory provisions and, where necessary, contractual provisions.

Buyback of C and D Shares (Article 10 of the By-Laws)

In the event that, after the lock-up period expiry date, the number of A Shares to which the C and D Shares held by some or all of the holders would give rights through conversion is equal to zero, the Company will, at its sole initiative, buy back said C and D Shares for the purpose of cancelling them.

All C and D Shares bought back in this way will be permanently cancelled on their buyback date and the Company's share capital reduced by that amount, with creditors having a right to contest.

C and D Shares will be bought back at par.

The Company will notify C and D Shareholders of the buyback by any means prior to the actual buyback date.

The Board of Directors must note the number of any C and D Shares bought back and cancelled by the Company, and make the necessary amendments to the Company's By-Laws to reflect the new capital.

Pre-emptive subscription rights

The Company's shares will carry pre-emptive subscription rights to capital increases under the conditions set out in the French Commercial Code.

Participation in Shareholders' Meetings (Article 19 of the By-Laws)

Shareholders may attend meetings in person or by proxy. Any shareholder may be represented or vote by mail, in accordance with the terms and conditions provided for by applicable law.

The ability to participate in Shareholders' Meetings is subject to the registration of the shares in the name of the shareholder or intermediary registered on the shareholder's behalf, two business days before the relevant meeting at midnight, Paris time, either in the registered share accounts held by the Company or in the bearer share accounts held by the authorised intermediary. For holders of bearer shares, the certificate of participation justifying the ownership of their shares will be issued by the authorised intermediary holding their account and will allow them to participate in the Shareholders' Meeting.

Upon the decision of the Board of Directors in its notice of meeting, any shareholder may also participate and vote in Shareholders' Meetings by video-conference or any other means of telecommunication, including online, provided that the means of communication permits the identification of the shareholder in question in accordance with the terms and conditions set out by the applicable law and regulations.

Procedures for convening and conducting Ordinary and Extraordinary Shareholders' Meetings (Articles 20 and 22 of the By-Laws)

Ordinary and Extraordinary Shareholders' Meetings held under the legally prescribed quorum and majority conditions exercise the powers granted to them under law. They will be convened by the Board of Directors under the conditions and within the time limits set out by law.

Special Shareholders' Meetings (Article 23 of the By-Laws)

C and D Shareholders are consulted on issues that fall specifically within their competence under the law.

C and D Shareholders entered in the Company accounts may attend these Special Shareholders' Meeting and take part in the vote. The Special C and D Shareholders' Meetings exercise their powers in accordance with the conditions set out in the applicable regulations.

Decisions taken by the Company in a Shareholders' Meeting are only final (i) following the approval by the Special C Shareholders' Meeting where these decisions modify rights relating to C Shares and (ii) following the approval by the Special C Shareholders' Meeting where these decisions modify rights relating to D Shares.

Identifiable bearer shares (Article 8 of the By-Laws)

The Company may use means authorised by the applicable laws and regulations for identifying holders of shares conferring an immediate or future right to vote in its Shareholders' Meetings, and may apply any sanctions related to such shares.

Holders who fail to comply with requests for information within the time limit provided for by the applicable laws and regulations, or who provide incomplete or inaccurate information as to their capacity or as to the owners of the shares or the number of shares held by each of them – where such shares give immediate or future access to the share capital and for which the holder is a registered holder – will be stripped of voting rights for any Shareholders' Meetings held before the date on which the identification information is corrected, and the payment of any corresponding dividend will be deferred until such date.

8.2.3 Board of Directors and Executive Management

Board of Directors (Article 12 of the By-Laws)

The Company is managed by a Board of Directors consisting of three to eighteen members, subject to derogations provided for by law in the event of a merger.

The Board of Directors shall be renewed each year on a staggered basis, so that renewals concern only a portion of the Board members in any given year. The duration of a Director's term of office is four years. To facilitate the staggered re-appointment of the Board of Directors, the Shareholders' Meeting may exceptionally designate one or more Directors for a different duration, which may not exceed four years.

No more than one-third of the standing members may be over the age of 70.

Chair of the Board of Directors (Article 13 of the By-Laws)

The Board of Directors shall elect a Chair from among its members, who must be a natural person. The Chair organises and directs the work of the Board of Directors, on which he or she reports to the Shareholders' Meeting. It ensures the effective operation of the Company's governance bodies and ensures, in particular, that the Directors are able to perform their duties.

Chief Executive Officer (Article 14 of the By-Laws)

The Executive Management of the Company is under the responsibility of either the Chair of the Board of Directors, or another natural person appointed by the Board of Directors, with the title of Chief Executive Officer. The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of the Company. These powers are exercised within the limits of the Company's corporate purpose and subject to those expressly attributed by law and the By-Laws to the Shareholders' Meetings and the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties.

8.3 Person responsible for the Universal Registration Document and statement

8.3.1 Name

Marie Cheval

Chair and Chief Executive Officer of Carmila

8.3.2 Statement by the person responsible for the Universal Registration Document and the Annual Financial Report

"I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omissions likely to affect its meaning.

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the management report faithfully reflects the changes in the business, results and financial position of the Company and of all companies included in the scope of consolidation, while presenting the main risks and uncertainties faced by them (the cross-reference table between the various sections of the management report is presented on page 298)."

Marie Cheval, Chair and Chief Executive Officer of Carmila

8.4 Statutory Auditors

8.4.1 Principal Statutory Auditors

Deloitte & Associés, 6 place de la Pyramide,
92908 Paris-La Défense Cedex

KPMG S.A., 2, avenue Gambetta (Tour Eqho),
92066 Paris-La Défense Cedex

8.4.2 Alternate Statutory Auditors

Salustro Reydel, 2, avenue Gambetta (Tour Eqho),
92066 Paris-La Défense Cedex

8.5 Person responsible for the information

Pierre-Yves Thirion

Chief Financial Officer of Carmila

8.6 Documents available to the public

Copies of this document and other documents related to the Company, in particular its By-Laws, financial statements, reports submitted to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors, are available free of charge at the Company's registered office (58, avenue Émile-Zola – 92100 Boulogne-Billancourt). These documents may also be found on the Company's website (www.carmila.com/en).

This document can also be consulted on the Company's website (www.carmila.com/en/finance/registration-documents) and the website of the French financial markets authority (Autorité des marchés financiers – AMF) (www.amf-france.org).

8.7 Cross-reference tables

8.7.1 Cross-reference table for the Universal Registration Document

Annex I Commission Delegated Regulation (EC) no. 2019/980		Chapter/section no.
1/	**Persons responsible, information originating from third parties, expert statements and approval by the competent authority**	8.3.1/8.3.2
2/	**Statutory Auditors**	
	2.1. Identity	8.4.1
	2.2. Any changes	N/A
3/	**Risk factors**	3.2
4/	**Information about the issuer**	
	4.1. Legal and commercial name	8.1.1
	4.2. Place of registration, registration number and legal entity identifier (LEI)	8.1.2
	4.3. Date of incorporation and length of life	8.1.3
	4.4. Domicile and legal form, applicable legislation, address and telephone number of the registered office and website	8.1.4
5/	**Business overview**	
	5.1. Principal activities	1/2.1/2.2
	5.2. Principal markets	1
	5.3. Important events	N/A
	5.4. Strategy and objectives	1/2.1.3/4.1
	5.5. Dependence of the issuer	N/A
	5.6. Competitive position	1
	5.7. Investments	2.1.4
6/	**Organisational structure**	
	6.1. Brief description of the Group	3.1
	6.2. List of significant subsidiaries	3.1.3

Annex I Commission Delegated Regulation (EC) no. 2019/980	Chapter/section no.
7/ Operating and financial review	
7.1. Financial condition	2.3/2.4/6.1
7.2. Operating results	6.1
8/ Capital resources	
8.1. Information on capital resources	2.4.6/6.1.4
8.2. Cash flows	6.1.3
8.3. Borrowing requirements and funding structure	2.4
8.4. Restrictions on the use of capital resources	2.4
8.5. Anticipated sources of funds	2.4
9/ Regulatory environment	3.2.2/3.2.3/3.2.4
10/ Trend information	
10.1. Most significant recent trends since the end of the last financial year	2.1
10.2. Event likely to have a material effect on the issuer's prospects	N/A
11/ Profit forecasts or estimates	2.1.3.7
12/ Administrative, management and supervisory bodies and Executive Management	
12.1. Board of Directors and Executive Management	5.1.1/5.1.2
12.2. Conflicts of interest in respect of the administrative, management and supervisory bodies and Executive Management	5.1.3.1
13/ Compensation and benefits	
13.1. Compensation and benefits in kind	5.2
13.2. Amounts set aside or accrued to provide pension, retirement or similar benefits	5.2.1
14/ Board practices	
14.1. Date of expiry of terms of office	5.1.2.1
14.2. Service contracts	5.2.1
14.3. Information about the Audit Committee and the Compensation Committee	5.1.3.3
14.4. Statement on compliance with the applicable corporate governance regime	5
14.5. Potential material impacts on corporate governance	N/A
15/ Employees	
15.1. Number and breakdown of employees	4.6.6/6.1 Note 12.2
15.2. Shareholdings and stock options of held by members of the Board of Directors and Executive Management	5.2.2.3/7.2.5
15.3. Employee share ownership agreement	7.2.5
16/ Major shareholders	
16.1. Threshold crossings	7.2.2
16.2. Different voting rights	8.2.2
16.3. Direct or indirect control	7.2.1
16.4. Arrangements that could result in a change in control	7.2.6
17/ Related-party transactions	6.1 Note 11
18/ Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
18.1. Historical financial information	2.1/2.2/2.3/2.4/6.1/6.3/6.4.6
18.2. Interim and other financial information	N/A
18.3. Auditing of historical financial information	6.2/6.5
18.4. Pro forma financial information	N/A
18.5. Dividend policy	2.4.5
18.6. Legal and arbitration proceedings	3.5
18.7. Significant changes in financial position	N/A

Annex I Commission Delegated Regulation (EC) no. 2019/980	Chapter/section no.
19/ Additional information	
19.1. Share capital	2.4.6/7.1
19.1.1. Subscribed capital	7.1.1
19.1.2. Other shares	7.1.4
19.1.3. Treasury shares	7.1.5
19.1.4. Securities	7.1.6
19.1.5. Acquisition conditions	7.1.7
19.1.6. Options or agreements	7.1.8
19.1.7. History of the share capital	7.1.2
19.2. Articles of incorporation and By-Laws	8.2
20/ Material contracts	3.6
21/ Documents available	8.6

8.7.2 Cross-reference table for the Annual Financial Report

Headings in Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier)	Chapter/section no.
1/ Management Report	2/3/6.4
2/ Consolidated financial statements	6.1
3/ Statutory financial statements	6.3
4/ Statutory Auditors' report on the statutory financial statements and consolidated financial statements	6.2/6.5
5/ Corporate Governance Report	5
6/ Statutory Auditors' report on the Corporate Governance Report	5.4
7/ Declaration by the physical persons responsible for the Annual Financial Report	8.5

8.7.3 Cross-reference table for the Management Report

Reference texts			Chapter/section no.
COMMENTS ON THE FINANCIAL YEAR			
French Commercial Code	L. 225-100-1, L. 232-1, L. 233-6 and L. 233-26	Situation of the Company during the financial year ended and objective and comprehensive analysis of changes in the business, results and of the Company and Group	2
French Commercial Code	L. 225-100-1	Key non-financial performance indicators relating to the Company's specific business	2.1/2.2
French Commercial Code	L. 225-102-1	Non-financial statement	4
French Commercial Code	L. 233-6	Significant equity interests taken during the financial year in companies with their registered office in France	3.1.3
French Commercial Code	L. 232-1 and L. 233-26	Significant events between the financial year closing date and the date of this report	6.1 Note 13.1
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the Company or Group situation	2.1.3
French Tax Code (*Code général des impôts*)	243 bis	Dividends distributed in respect of the last three financial years and amount of income distributed in respect of these same financial years eligible for the 40% tax credit	6.4
French Commercial Code	L. 441-6, L. 441-6-1 and D. 441-4	Information on the Company's supplier and customer payment terms	6.4
GROUP PRESENTATION			
French Commercial Code	L. 225-100-1	Description of the main risks and uncertainties faced by the Company	3.2
French Commercial Code	L. 225-100-1	Financial risks related to the effects of climate change and presentation of measures taken by the Company to mitigate them by implementing a low-carbon strategy in all areas of its activity	3.2.5/4.1.2/4.2

Reference texts			Chapter/section no.
French Commercial Code	L. 225-100-1	Principal characteristics of internal control and risk management procedures put in place by the Company relating to the preparation and processing of accounting and financial information	3.4
French Commercial Code	L. 225-100-1	Indications about the objectives and policy for hedging each main category of transactions for which hedge accounting is used	6.1 Note 6.3
French Commercial Code	L. 225-100-1	The Company's exposure to price, credit, liquidity and cash risks	6.1 Note 6.3
French Commercial Code	L. 225-102-1, R. 225-105 and R. 225-105-1	Social and environmental consequences of the activity and related Statutory Auditors' report	4/4.6.7
French Commercial Code	L. 225-102-1	Collective agreements concluded in the Company and impacts on the Company's financial performance as well as on employees' working conditions	4.4/3.2.5
French Commercial Code	L. 225-102-2	In the event of operation of an installation referred to in Article L. 515-36 of the French Environmental Code • (*Code de l'environnement*): description of the technological accident risk prevention policy; • report on the ability to cover civil liability in respect of people and property; and • details of the resources put in place by the Company to ensure management of compensation for victims in the event of a technological accident for which the Company is liable (including Seveso installations).	N/A
French Commercial Code	L. 225-102-4	Duty of care plan enabling identification of risks and prevention of serious abuses of human rights and fundamental freedoms, or serious impacts on health, safety and the environment resulting from the Company's activity and that of sub-contractors and suppliers	N/A
French Commercial Code	L. 232-1	Research and development activities	3.7
INFORMATION ABOUT CORPORATE GOVERNANCE			
French Commercial Code	L. 225-185	Conditions for exercise and holding of options by corporate officers	N/A
French Commercial Code	L. 225-197-1	Conditions for holding free shares allocated to corporate officers	5.2.2.3
French Monetary and Financial Code	L. 621-18-2	Transactions on the Company's securities by senior executives and related persons	7.2.4
French Commercial Code	L. 225-184	Options granted, subscribed or acquired during the financial year by corporate officers and any of the top ten employees who are not corporate officers of the Company and options granted to all employees by category	N/A
INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL			
French Commercial Code	L. 225-211	Details of purchases and sales of treasury shares during the financial year Information about acquisitions by the Company of treasury shares in order to allocate them to employees or senior executives	7.1.5
French Commercial Code	R. 228-90	Any adjustments for securities giving access to the share capital in the event of share buyback or financial transactions	7.1.6
French Commercial Code	L. 225-102	Status of employee shareholding in the share capital on the last day of the financial year and proportion of the share capital represented by shares held by employees through company savings plans and by employees and former employees as part of company mutual funds	7.2.1/7.2.6
French Commercial Code	L. 464-2	Injunctions or monetary penalties for anti-competitive practices	N/A
French Commercial Code	L. 233-13	Identity of natural or legal persons holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at Shareholders' Meetings	7.2.1

Reference texts			Chapter/section no.
French Monetary and Financial Code	L. 511-6	Amount of loans with terms of less than two years granted by the Company, as an activity ancillary to its main business, to micro-enterprises, SMEs or mid-sized companies with which it has business links justifying such loans	N/A
ELEMENTS RELATING TO THE FINANCIAL STATEMENTS			
French Commercial Code	L. 232-6	Any changes to the presentation of the financial statements or valuation methods used	6.1 Note 2
French Commercial Code	R. 225-102	Company's results over the last five financial years	6.4.6

8.7.4 Cross-reference table for the Corporate Governance Report

Reference texts			Chapter/section no.
COMPENSATION			
French Commercial Code	L. 225-37-2	Compensation policy of corporate officers	5.2
French Commercial Code	L. 225-37-3 L. 225-100, II R. 225-29-1	Information relating to the compensation of corporate officers	5.2.2
INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL			
French Commercial Code	L. 225-37-4	List of all offices and positions held in any company by each of these officers during the financial year	5.1.1.1/5.1.2.4
French Commercial Code	L. 225-37-4	Agreements concluded between a corporate officer or a shareholder holding more than 10% of the voting rights and a subsidiary	3.1.5.3
French Commercial Code	L. 225-37-4	Choice of methods of exercising Executive Management	5.1.1.1
French Commercial Code	L. 225-37-4	Summary of outstanding delegations granted by the Shareholders' Meeting to the Board of Directors with regard to capital increases	7.1.3
French Commercial Code	L. 225-37-4	Membership, conditions of preparation and organisation of the Board	5.1.2/5.1.3
French Commercial Code	L. 225-37-4	Description of the diversity policy applied to Board members regarding criteria such as age, gender, qualification and professional expertise, together with a description of this policy, its aims, application methods and results obtained during the financial year. Information on how the Company seeks to ensure gender balance, thanks to the ad hoc committee put in place by the Executive Management of the Company to assist in its general duties on a regular basis and on the achievement of gender balance in the top 10% of senior management positions.	5.1.2.3
French Commercial Code	L. 225-37-4	Limitations to the powers of the Chief Executive Officer	5.1.1.2
French Commercial Code	L. 225-37-4	Compliance with the Corporate Governance Code	5
French Commercial Code	L. 225-37-4	Specific arrangements for the participation of shareholders in Shareholders' Meetings	8.2.2
French Commercial Code	L. 225-37-5	Rules applicable to the appointment and replacement of members of the Board of Directors or the Executive Board as well as to changes to the Company's By-Laws	8.2.3
French Commercial Code	L. 225-37-5	Powers of the Board of Directors or Executive Board, in particular relating to the issuance or buyback of shares	7.1.3
INFORMATION ON SHARE CAPITAL			
French Commercial Code	L. 225-37-5	Structure and changes in the Company's share capital	7.1
French Commercial Code	L. 225-37-5	Statutory restrictions on the exercise of voting rights and the transfer of shares or agreement clauses brought to the attention of the Company	8.2.2

Reference texts			Chapter/section no.
French Commercial Code	L. 225-37-5	Direct or indirect equity interests in the Company's share capital of which it is aware	7.2.1
French Commercial Code	L. 225-37-5	List of holders of any securities bearing special control rights and description of such rights	7.2.8
French Commercial Code	L. 225-37-5	Control mechanisms provided for in any employee share ownership scheme, where control rights are not exercised by employees	7.2.8
French Commercial Code	L. 225-37-5	Shareholder agreements of which the Company is aware and which may give rise to restrictions on the transfer of shares and the exercise of voting rights	7.2.3
French Commercial Code	L. 225-37-5	Agreements entered into by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure, other than when there is a legal obligation to disclose, would be seriously prejudicial to the Company's interests	7.2.8
French Commercial Code	L. 225-37-5	Agreements providing for compensation for members of the Board of Directors or Executive Board or employees if they resign or are dismissed without just cause, or if their office or employment is terminated as a result of a public tender offer	7.2.8

8.8 Glossary

Average cost of debt: the average cost of debt represents the average effective rate that a company pays on its borrowings from financial institutions or other sources. This debt may be in the form of bonds, loans or any other liabilities.

BREEAM (Building Research Establishment Environmental Assessment Method): developed by the Building Research Establishment (BRE) in the United Kingdom in 1990, BREEAM is recognised as the leading appraisal and certification system for the environmental performance of buildings.

Business continuity plan: all measures identified within an organisation to enable it to anticipate the consequences of a crisis affecting its main business line, to ensure partial or total continuity of business and a return to normal after the crisis.

CDAC (Commission départementale d'aménagement commercial, or Departmental commission on retail development): opening a retail area greater than 1,000 sq.m. in France requires prior administrative permits to be issued by CDAC.

Conseil National des Centres Commerciaux (National Shopping Centre Advisory Board – CNCC): for 30 years, the CNCC has been the French professional organisation for all professionals operating in the shopping centre sector.

Developer yield on cost: expected net annualised rents divided by the estimated amount of the developer investment.

DPO (Data Protection Officer): person responsible for compliance with the EU Regulation on Data Protection within the Company.

EBITDA (excluding fair value adjustments): earnings before interest, taxes, depreciation, and amortisation measures the wealth creation from operating the assets.

EPRA (European Public Real Estate Association): created in 1999, the EPRA is a European association representing real estate companies, whose role is to promote, develop and represent listed companies in the real estate sector at the European level.

EPRA earnings: operational performance measure excluding fair value adjustments, the impact of asset disposals and other non-cash items in the Company's result.

EPRA NAV (Net Asset Value): indicator of the fair value of a real estate company. EPRA NAV is calculated by adding unrealised capital gains or losses on assets to attributable equity (i.e., consolidated net assets). This indicator excludes the deferred tax on unrealised capital gains as well as the fair value of hedging instruments.

EPRA NDV (Net Disposal Value): EPRA NDV corresponds to the net asset value of the Company.

EPRA NIY (Net Initial Yield): EPRA net initial yield is the ratio between net annualised rental income based on the rental status and market value, including transfer taxes, of the assets.

EPRA NNNAV: triple net asset value is calculated by deducting the fair value of fixed rate debt and deferred taxes on unrealised capital gains, which would be owed if the assets were sold, from the EPRA NAV. Financial instruments are recognised at fair value.

EPRA NRV (Net Reinstatement Value): EPRA NRV represents the asset value that would be required to rebuild the company from scratch.

EPRA NTA (Net Tangible Assets): EPRA NTA corresponds to the value of the Company's net tangible assets.

EPRA Topped Up Net Initial Yield: EPRA Topped Up Net Initial Yield adds back reductions and step rents into rental income.

EPRA vacancy rate: ratio of the market rent of vacant surface areas to total market rent (of vacant and let surface areas).

ERP (establishment open to the public): buildings into which external persons (other than employees) are admitted. ERPs are classified into categories according to the strictness of regulations applicable (type of work authorisation or security rules, for example) depending on the risk.

Financial occupancy: corresponds to the ratio between the minimum guaranteed rent of the portfolio on a given date and the amount of rent that Carmila would collect if its entire operating property portfolio were leased (with the assumed rent for vacant lots determined on the basis of rental values set by the appraiser). Financial occupancy is stated excluding strategic vacancies, which are the vacant premises necessary in order to implement renovation, extension, or restructuring projects in shopping centres.

Free cash flow: cash available to a company after it has made the investments necessary for its development.

French construction cost index (Indice du Coût de Construction – ICC): the construction cost index measures the quarterly change in the price of new, primarily residential buildings in France. VAT is included and paid by the project managers to the construction companies. It applies exclusively to construction works. It excludes the prices and costs of land (viability studies, special foundations, etc.) as well as fees, promotion and financial costs. Moreover, it does not cover maintenance and improvement works.

Going concern NAV: going concern NAV (NAV including transfer taxes) includes the property transfer taxes in attributable equity (corresponding to the consolidated net assets) and does not take into account the deferred taxes on unrealised capital gains, as well as the fair value recognition of hedging instruments.

Gross leasable area (GLA): the real estate appraisal charter sets out the following definition: "GLA corresponds to the net floor area of a commercial space plus awnings, exterior landings and service ducts. It does not include the service roads or roads shared by different units (in shopping arcades or shopping centres for example)."

Gross rental income: minimum guaranteed rent billed by Carmila to its tenants, to which additional variable rents and front-end fees and commercial usage indemnities are added, where appropriate.

ICR (interest coverage ratio): EBITDA (excluding fair value adjustments)/Cost of net debt. This ratio measures the company's ability to cover the cost of its debt from its cash flows from operations.

ILC (Indice des Loyers Commerciaux, or French commercial rent index): the quarterly ILC was created by Law no. 2008-776 of 4 August 2008 on the modernisation of the economy and comprises indices representing the changes in consumer prices, new building construction prices and revenues from retail activities. In France, base rent, whether solely fixed or with a minimum guarantee, is contractually indexed to the French INSEE commercial rent index.

Joint leader: a shopping centre is defined as a joint leader if (i) it is not a leader and (ii) (x) it includes the leading hypermarket in its catchment area (for France and Italy) in terms of sales or for Spain in terms of leasable area (source: Nielsen database), or (y) the annual sales of the adjoining hypermarket are over €100 million for hypermarkets in France or €60 million for hypermarkets in Spain or Italy.

Leader: a shopping centre is defined as a "leader" if (i) it is the leader in its catchment area by the number of retail units (source: Codata database, 2016) or (ii) it includes, for shopping centres in France, more than 80 commercial units or, for shopping centres in Spain or Italy, more than 60 commercial units.

Like-for-like/reported scope: Carmila reviews the change in certain indicators, whether on a reported basis (including the entire property portfolio on a given date) or like for like. Like-for-like growth is calculated based on a comparable basis of shopping centres. The elements adjusted in order to analyse like-for-like data are (i) the contribution of acquisitions in the years in question as well as negative reversion linked to acquisitions in previous years, (ii) the impact of restructurings in progress and (iii) and the impacts of extensions delivered during the periods in question.

Loan-to-value ratio excluding transfer taxes: the ratio of consolidated net debt/fair value of investment properties excluding transfer taxes (and including the share of the fair value of assets of equity-accounted companies).

Loan-to-value ratio including transfer taxes: the ratio of consolidated net debt/Fair value of investment properties including transfer taxes (and including the share of the fair value of assets of equity-accounted companies).

Minimum guaranteed rent (MGR): the minimum guaranteed rent (or annual base rent) in the lease contract.

Net rental income: gross rental income less land tax expenses, property expenses and unrecovered rental expenses (expenses payable by tenants but not rebilled by the lessor because of vacant premises or specific contractual provisions).

NPY (Net Potential Yield): the net potential yield is the ratio between net annualised rental income (with reintegration of step increases and rent-free periods) plus the market rental value of the vacant lots defined by the experts and the market value, including transfer taxes, of the assets.

Occupancy cost ratio: Carmila takes each tenant's occupancy cost ratio into account in determining its rent levels. The occupancy cost ratio is defined as the ratio between (i) the total amount charged to tenants (fixed rent, variable rent and rental expenses passed on to the tenant) and (ii) retailer sales.

Pop-Up Stores: Carmila leverages the attractiveness of its shopping centres to offer tenant retailers the opportunity to open pop-up stores of between 50 sq.m. and 3,000 sq.m., for leases ranging from 4 months to 34 months.

Recurring earnings: equal to EPRA earnings excluding certain non-recurring items (restatement of loan issuance costs amortised on a straight-line basis over the term of the loan, reintegration of loan issuance costs paid during the year, restatement of margins on real estate development, and income from disposals and other non-recurring expenses).

Reversion: the positive or negative change in the minimum guaranteed rent (MGR) obtained on renewal of a lease.

SIIC (French real estate investment trust, or REIT): company benefiting from ad hoc tax treatment subject to certain distribution constraints:

- requirement to distribute at least 95% of its recurring income and 60% of its capital gains (and 100% of the dividends received from its REIT subsidiaries); in exchange, its profits are exempt from tax at the REIT level;
- regarding shareholders: a shareholder may not hold more than 60% of the share capital and 15% of the share capital must be held by shareholders holding less than 2% each.

Specialty Leasing: Specialty Leasing refers to various services provided to commercial and advertising initiatives that generate additional revenue and energise shopping centres. The Specialty Leasing Department operates in two segments: leasing of space in the shopping centres and car parks, and managing the advertising partnership agreement with Clear Channel, which aims to digitalise shopping centres and assist in jointly designing solutions that closely match new consumption trends.

UES (economic and social unit): in France, the grouping of companies with legal separate identities but close relationships together into a single unit for the purposes of employee representation. An economic and social unit has no legal identity.

Variable rents: variable rents comprise a fixed portion, the minimum guaranteed rent (or base rent), and an additional variable rent, calculated as a percentage of the tenant's annual retailer sales, excluding taxes.

Yield (Carmila share): expected net annualised rents, divided by the total amount of Carmila's investment (including transfer taxes), including Carrefour's share (50%) to be acquired upon delivery at a market value agreed by the parties and based on an independent appraisal.

8.9 Information incorporated by reference

In compliance with Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 applicable from 21 July 2019, the following information is incorporated by reference into this Universal Registration Document:

- for the year ended 31 December 2020: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 3 and 7 of the 2020 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 6 April 2021 under reference D. 21-0256;
- for the year ended 31 December 2019: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 3 and 7 of the 2019 Universal Registration Document filed with the AMF on 24 April 2020 under reference D. 20-0353;
- for the year ended 31 December 2018: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 3 and 7 of the 2018 Registration Document filed with the AMF on 23 April 2019 under reference D. 19-0372.

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