Carmila H1 2023
Results Presentation


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Key takeaways from H1 2023

Higher footfall and retailer sales

Footfall up 3% and retailer sales up 7% vs. H1 2022

Strong leasing activity, high occupancy:

417 leases signed, reversion +0.4%, 96.1% financial occupancy

Appraisal value of assets -0.6% like-for-like:

€ 6.0bn at end-June 2023

Indexation driving earnings growth

Recurring earnings per share up +2.6 % vs. H1 2022

Solid balance sheet:

LTV[1] at 37.3%, Net Debt / EBITDA at 7.7x

1. EPRA LTV including transfer taxes

The strategic plan has positioned Carmila for growth

Executing the asset rotation strategy

Target to sell a further € 100 million of assets by end-2024, one asset already sold for €8 million

€20 million share buyback completed in H1 2023

On track with the strategic plan: "Building sustainable growth"

Solid fundamentals in core business, pivoting the merchandising-mix, dynamic Carrefour hypermarkets

Growth initiatives : Omnichannel incubator, Next Tower and Carmila Retail Development

Confirmation of recurring EPS growth outlook

Expected 2023 recurring earnings per share of €1.57

Equivalent to +8% like-for-like[1] growth in recurring earnings per share

Agreement to acquire Galimmo SCA

Carmila to acquire Galimmo, the owner and operator of 52 shopping centers in France

1. Adjusted for recovery of rental income from the COVID period in 2022


pimkie

Agreement to acquire Galimmo SCA

Acquisition of Galimmo SCA

Carmila to acquire the shopping business of Louis Delhaize group in France, Galimmo SCA

Galimmo owns and operates 52 shopping centers in France, all anchored to hypermarkets

Transaction Context

Carrefour

Carrefour to acquire the food retail businesses Cora and Match[1] in France

60 hypermarkets and 115 supermarkets mostly located in the North-East of France

Outstanding growth opportunity within the Carrefour ecosystem

1. Owned by Louis Delhaize group

Executing Carmila's roadmap on a complementary portfolio

Perfect fit for Carmila's strategy

Value creation opportunity on the type of assets Carmila knows how to manage and transform

Incubator and omnichannel platform to pivot the mix-merch

Transformation projects, to be a leader in **sustainability**

Larger footprint for innovation projects and growth drivers

Attractive deal terms

Secured transaction with the acquisition of 93% of the shares[1] of Galimmo SCA

Immediately accretive to recurring earnings and net asset value

Implied **35% discount** to gross asset value

Implied **net initial yield of 9.8%**

Limited impact on Carmila's LTV proforma of the €294m total consideration (100% cash transaction) and Galimmo's debt

1. Transaction includes the acquisition of the "Associé Commandité"; the acquisition will be followed by a mandatory tender offer
2. Price for 100% of shares

Galimmo: the right assets for the Carmila platform

Complementary Geographical footprint

52 centres, mainly in the North-East of France

Top 5 "Shopping" assets (by % of total GAV)

Top 5 assets

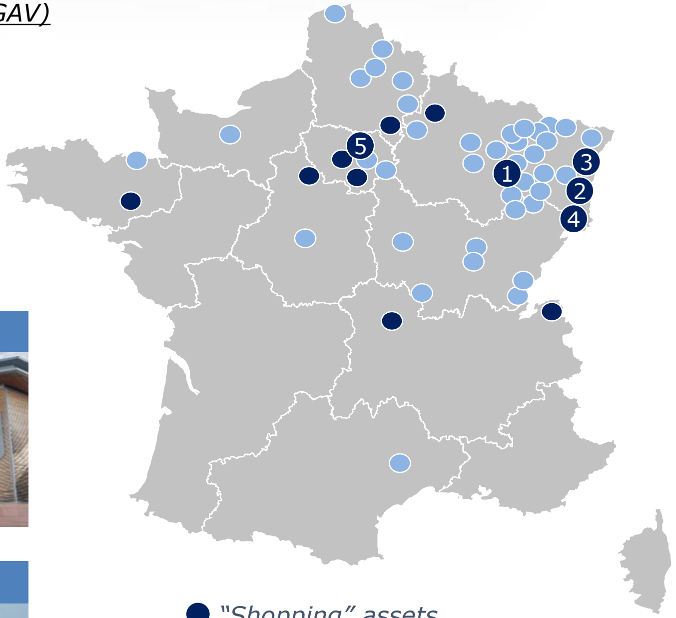
1 Nancy Houdemont

2 Colmar Houssen

3 Strasbourg

4 Wittenheim

5 Saint-Maximin



● *"Shopping" assets*

● *"Convenience" assets*

Local leaders like Carmila

13 "Shopping" assets representing 79% of total GAV

39 "Convenience" assets representing 21% of total GAV

92% EPRA occupancy rate (**95%** on larger centres)[1]

€688 million gross asset value[1]

1. As of December 2022 and excluding transfer taxes

Indicative transaction timetable

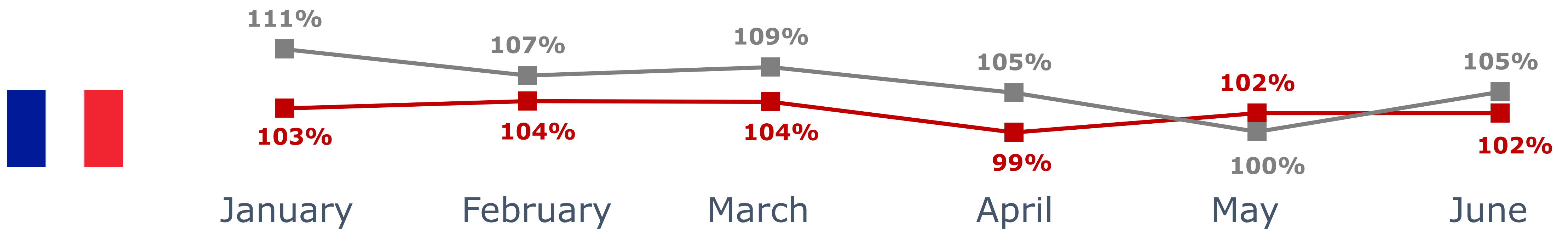
12 July 2023	**Signing of agreement to acquire 93% of Galimmo SCA**
Summer 2024	**Antitrust and regulatory approvals** **Acquisition of the 93% block of shares**
Q3 2024	**Offer period**


women'secret

Footfall and retailer sales up over the last 6 months

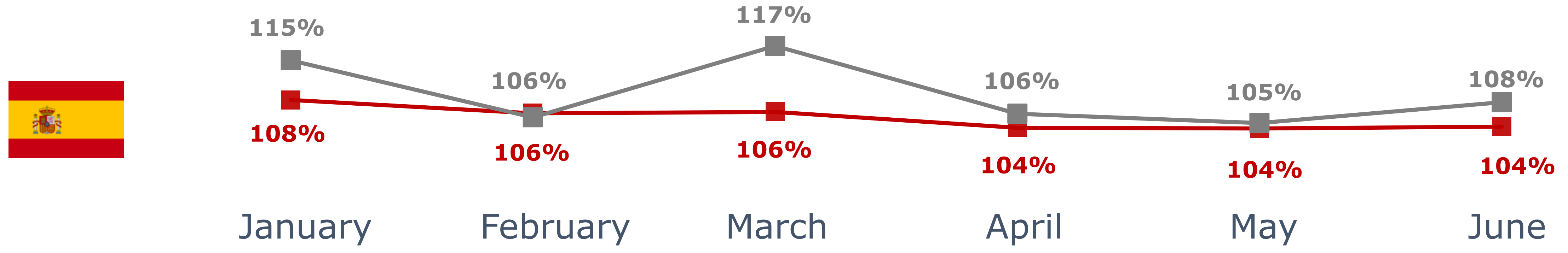
H1 2023 retailer sales: 106% of H1 2022 level

H1 2023 footfall: 102% of H1 2022 level



H1 2023 retailer sales: 110% of H1 2022 level

H1 2023 footfall: 106% of H1 2022 level



Footfall as a % of same month in previous year

Retailer sales as a % of same month in previous year

Solid fundamentals: leasing activity, occupancy, positive reversion

Strong letting activity

417 new long-term leases signed in H1 2023

Affordable rents

Positive reversion (+0.4% in H1 2023) and Occupancy Cost Ratio of 10.4%*

High occupancy

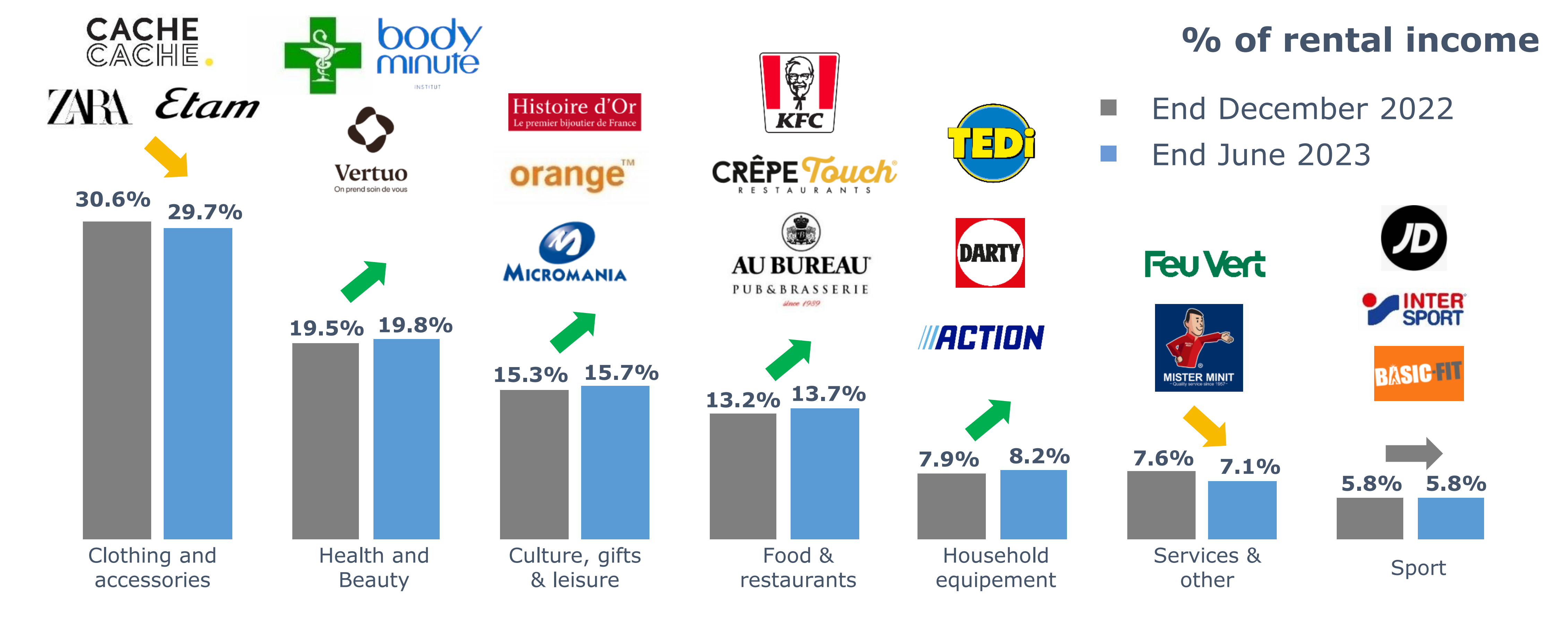
96.1% Financial occupancy rate (-10 bps vs. end-June 2022)

Growth of specialty leasing

+6% revenue growth vs. H1 2022

*Last 12 months

The right mix of retailers for each Carmila centre



Pivoting the mix-merch

Flagship assets in Spanish tourist destinations outperforming

HOLEA

Footfall vs. H1 2022 : **+6.4%**

Retailer sales vs. H1 2022 : **+10.3%**

FAN

Footfall vs. H1 2022 : **+6.2%**

Retailer sales vs. H1 2022 : **+10.0%**

AS CANCELAS*

Footfall vs. H1 2022 : **+8.5%**

Retailer sales vs. H1 2022 : **+14.6%**

*Joint venture with Realia (50% Carmila)

Omnichannel partnerships and projects for retailers and customers

Fibre to the mall

New partnership with SFR

Professional fibre-optic internet to all Carmila tenants in France

Second Hand

New partnership with Vinted, the leading second hand online marketplace

Vinted Go click and collect lockers in more than 30 Carmila centres

From physical...

Capitalising on Carrefour's Disney partnership

...to digital

Camille Cerf (former Miss France)

Social media campaign tied to in store summer shopping promotions

Investing and transforming with three kinds of project

RESTRUCTURING

- Restructuring of Vitrolles
- Mid-sized stores : Action at Toulouse Purpan

Ca. €40M of CAPEX in 2023 (35 projects)

MAJOR PROJECTS

- No building work currently underway on 5 major projects

€ 200M CAPEX (€50M a year from 2025)

MIXED-USE

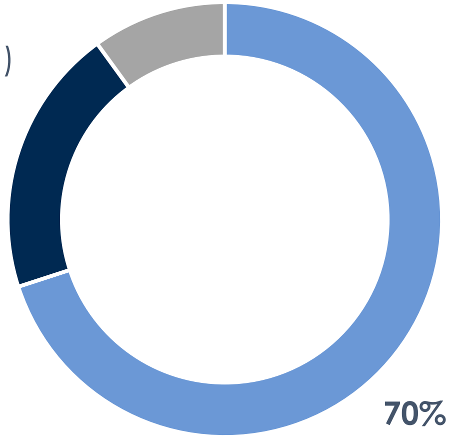
- Carmila projects: Nantes and Sartrouville
- 13 Carmila sites in the scope of the Carrefour/Nexity partnership

Carrefour nexity

Carmila’s energy strategy in practice on the ground

Indicative split of Green Capex

€ 10 million per year



Case Study: Toulouse Purpan

Energy transition investments carried out prior to 2023+ Green capex plans

Annual energy consumption / m² reduced from 298 kWh to 81 kWh

Solar self-consumption pilot project

Carrefour CUBE flex Rte Le réseau de transport d’électricité

Carrefour Property and Carmila

Winners in ‘Services and Retail’

CUBE Flex prize for reducing energy consumption at peak times

100% of Carmila centres to be equipped with charging stations by end 2023


Shoes to live
women'secret
women'secret
SKECHERS

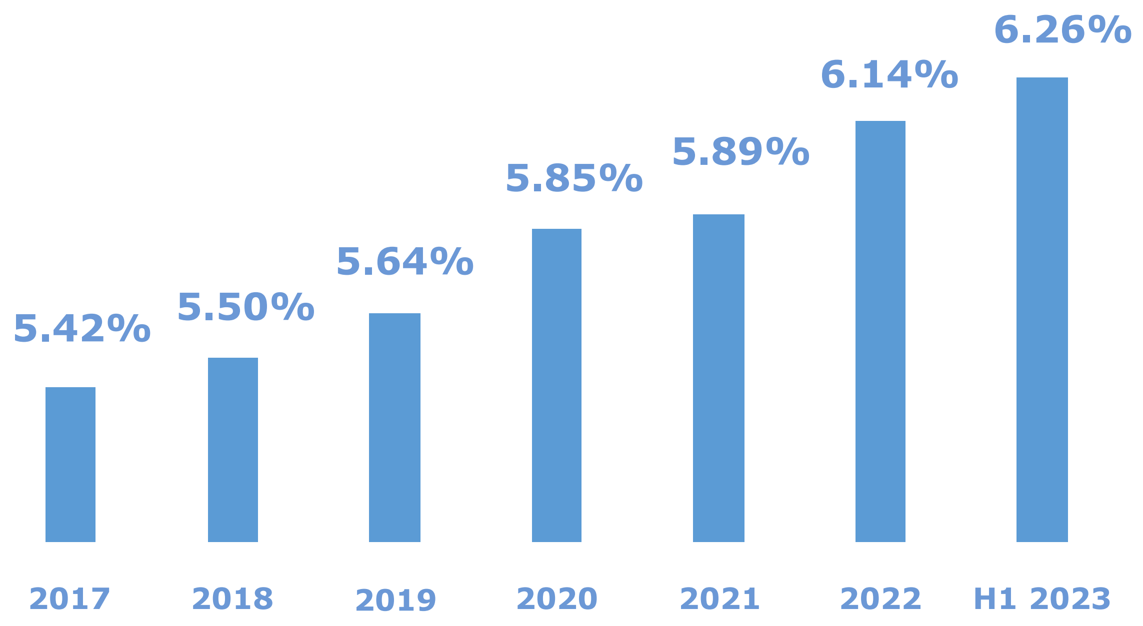
Like-for-like valuation of assets -0.6% in H1 2023

Market value	€ 6.0bn

	Market value	30 Jun 2023 (vs 31 Dec. 2022)	Like-for-like change (vs 31 Dec. 2022)
Total	€ 6.0bn	-2.3% Total (reported)	-0.6% Total (like-for-like)
France	€ 4.3bn	-1.5%	-0.8%
Spain	€ 1.4bn	-5.3%	-0.1%
Italy	€ 0.3bn	-0.4%	-0.4%

Confidence in the valuation of the portfolio

6.26% Net Initial Yield



Increase in cap rates since 2017

- NIY +84bps over the period

Reasonable appraisal assumptions

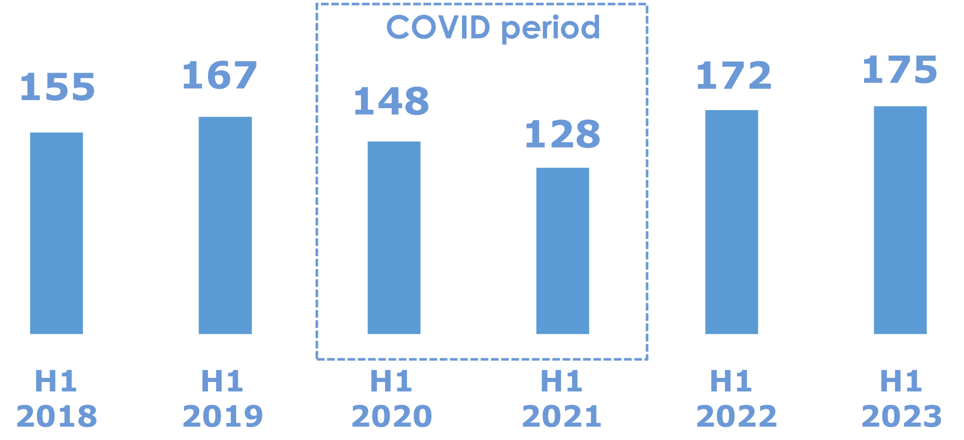
- Net Rental Income CAGR : 2.0%
- Exit cap rate : 6.4%
- Discount rate : 7.8%

Positive appraiser feedback

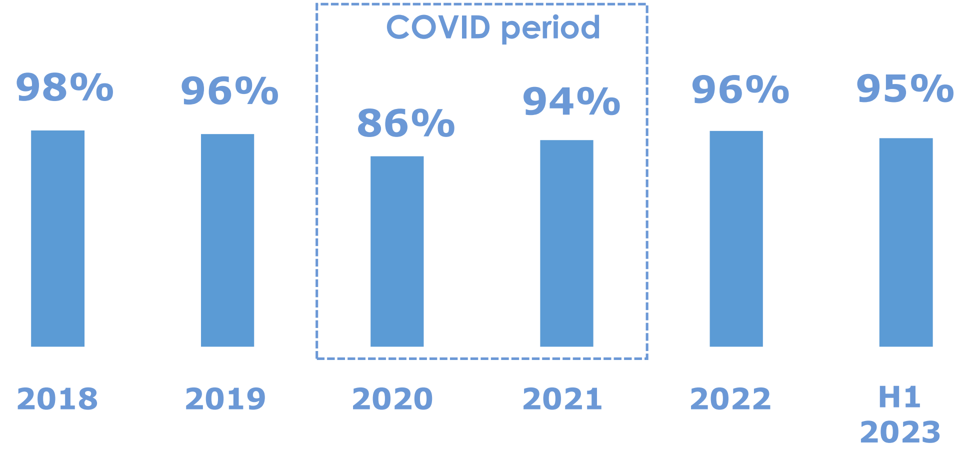
- Positive reversion provides comfort on outlook for rents
- Renovated assets
- Strong asset management track record (leasing, restructuring)

Record level of net rental income

Net Rental Income (€M)



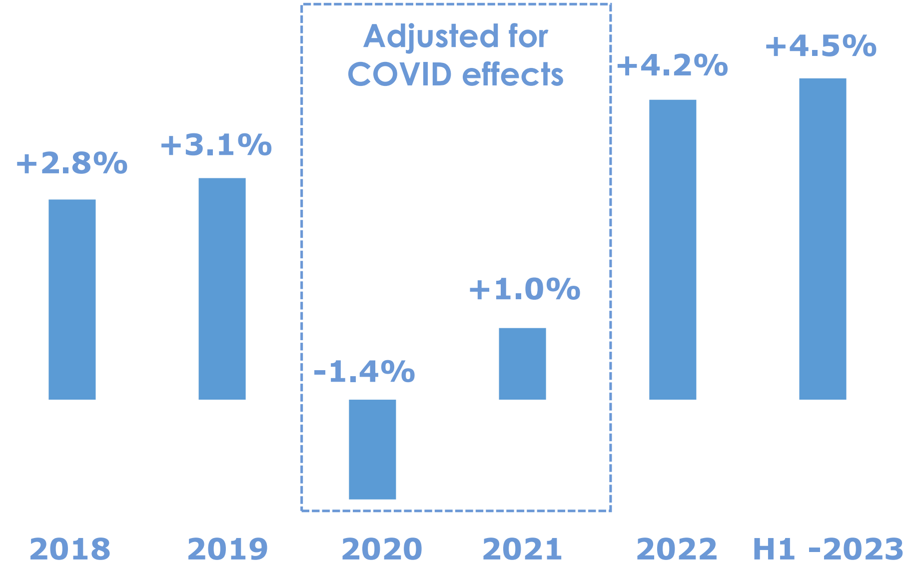
Rent collection (in % of total billed)[1]



Net rental income up +1.6% vs. H1 2022

- **Organic rental growth +4.5%, driven by indexation (+3.7%)**
- **Net impact of acquisitions and disposals of -2.9%**

Organic growth in net rental income



1. As published

H1 2023 recurring earnings +1.5% vs. H1 2022

€M	H1 2022	H1 2023
Net rental income	172.2	175.0
Overhead costs	-23.9	-23.8
Equity-accounted companies	+1.2	+2.0
EBITDA	149.5	153.2
Net financial expense (cash items)	-29.1	-30.2
Income taxes	-0.3	-1.1
Recurring earnings[1]	120.1	121.9

Net rental income +1.6% vs. H1 2022

Strict management of the cost base

EBITDA +2.4% vs. H1 2022

Limited increase in financing costs, due to refinancing of upcoming bond maturities with bank debt

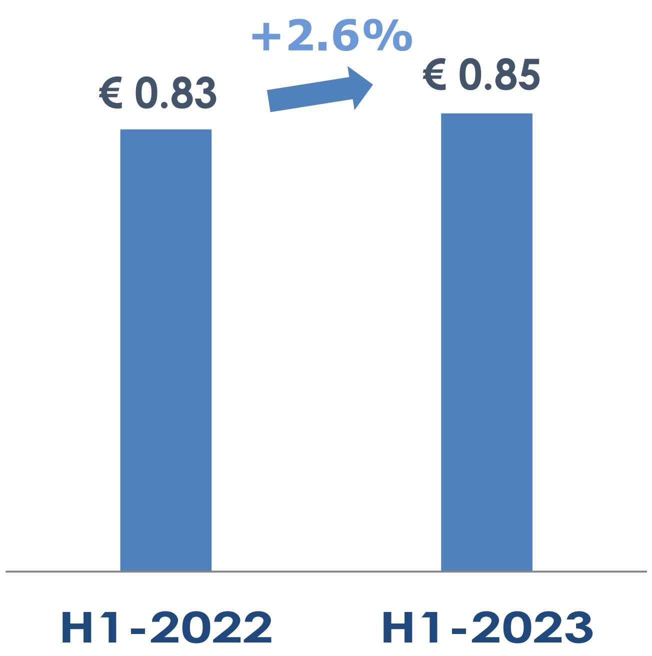
Increase in tax expense due to non real-estate profits

Recurring earnings +1.5% vs. H1 2022

1. EPRA earnings restated for non-recurring and non-cash items

Recurring Earnings Per Share and confirmation of full year outlook

H1 2023 Recurring EPS



2023 OUTLOOK

€1.57 recurring EPS expected in 2023

Positive indexation effect on rents

Confident on rent collection

Impact from disposals

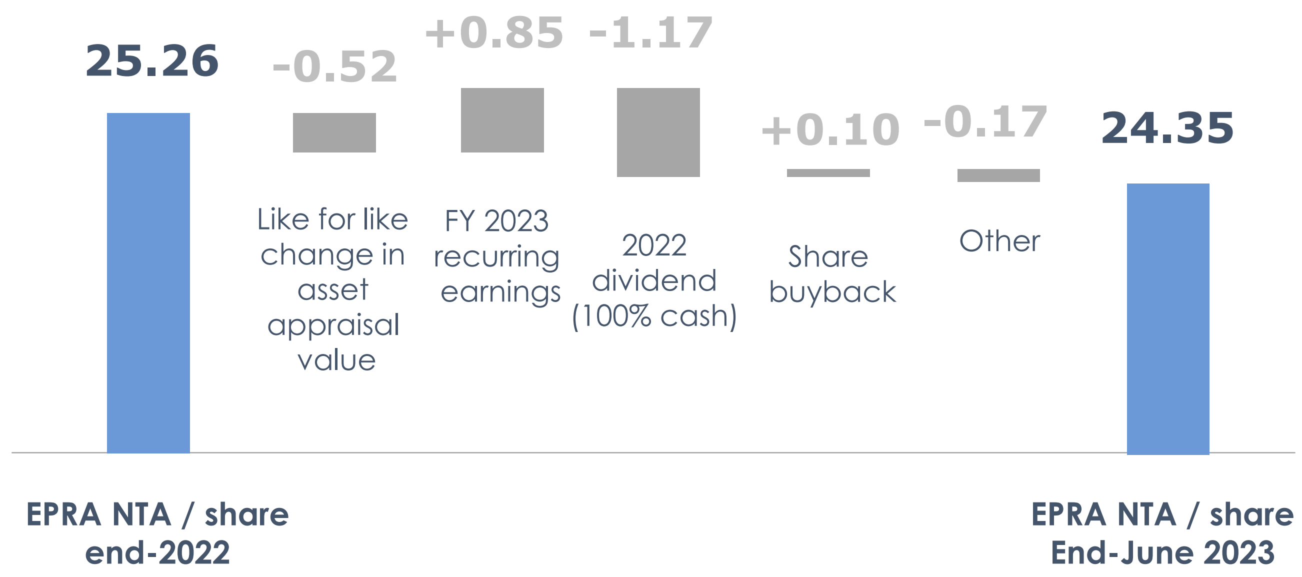
+8% organic growth* in 2023

Predictable financial performance and organic growth

*At constant scope and adjusting 2022 for impact of provision reversals

EPRA Net Tangible Assets per share

H1 2023 Change in EPRA Net Tangible Assets per share



EPRA NTA
at 30 June 2023 – fully diluted

€24.35 / share

-3.6% vs. end 2022

EPRA NDV
at 30 June 2023 – fully diluted

€24.78 / share

-3.8% vs. end 2022

Strong balance sheet

	H1-2022	End-2022	H1-2023
Net debt (€M)	2,272	2,204	2,244
GAV[1] (€M)	6,165	6,166	6,022
LTV[2]	36.9%	35.8%	37.3%
Net debt/EBITDA	8.0x	7.7x	7.7x
Interest Coverage[3]	4.6x	4.5x	4.5x

BBB rating with a stable outlook from S&P

Significant headroom vs. bank covenants and rating constraints

Stable like-for-like portfolio valuation and confidence on valuation assumptions

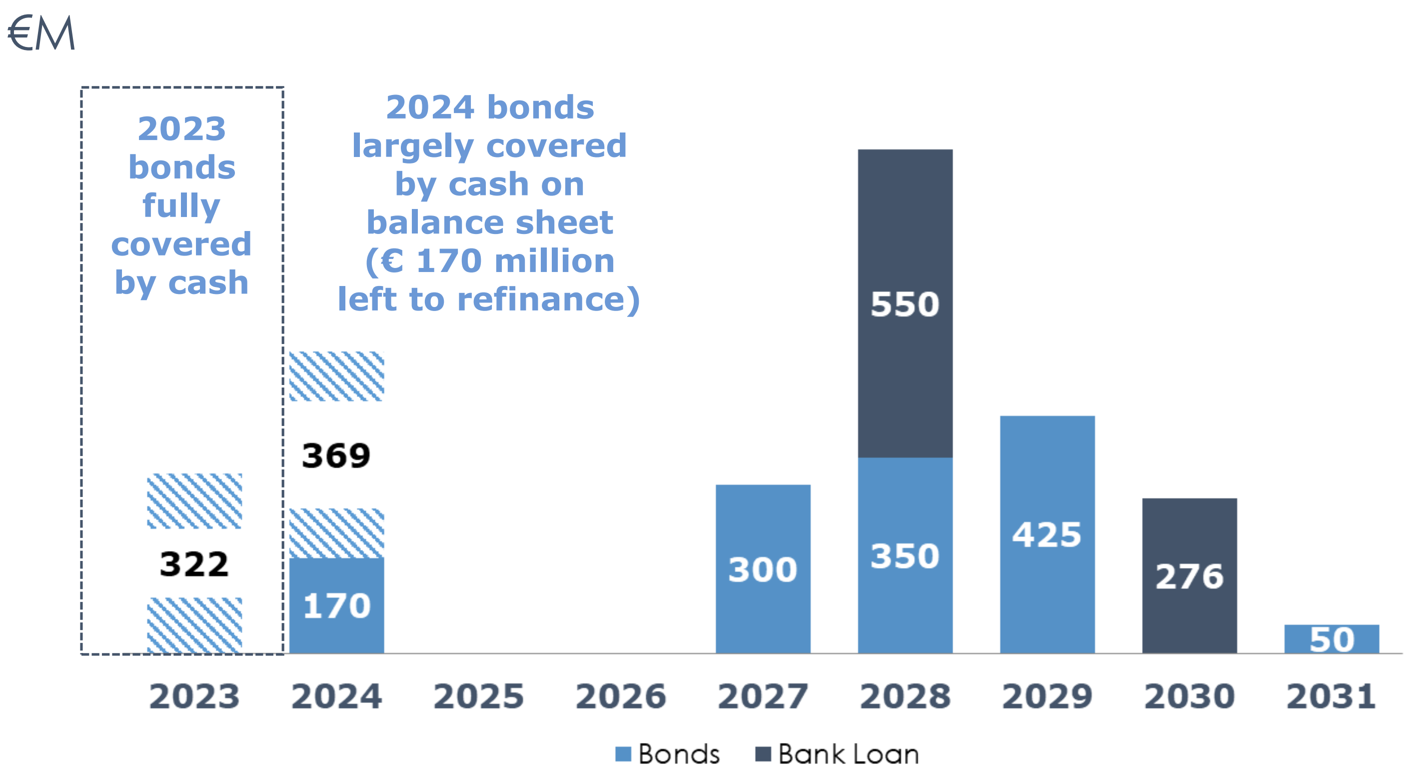
Increase in net debt at end-June due to dividend payment

LTV[2]: 37.3% at end-June 2023

1. Gross asset value, including transfer taxes
2. Including transfer taxes. Methodology change to EPRA LTV including real estate transfer taxes from end-2022. Bank covenant 55%
3. EBITDA / cost of net debt. Bank covenant 2.0x

Long term debt at low yields and strengthened hedging position

Carmila Debt Maturity Profile[1]: End-June 2023



New secured loan: € 276 million euros, secured by 4 assets belonging to subsidiaries of Carmila France

Average cost of net debt in H1 2023: 2.5% (vs. 2.4% in 2022)

Average debt maturity: 4.4 years[2]

Interest rate hedging: Cost of net debt[3] almost entirely hedged with respect to variations in short term interest rates between now and 2025

Total nominal amount of hedging instruments €860 million as of end-June 2023

1. Not including €110 million of commercial paper (<6 months) and €540M undrawn RCF maturing in 2027 following exercise of first extension option
2. Not including 2023 bonds and commercial paper, covered by Carmila cash position
3. At current scope

Financial wrap-up

€6.0bn
Gross Asset Value
(-0.6% like-for-like vs. end-2022)

37.3%
LTV[1]

+4.5%
Like-for-like rental growth vs. H1 2022

+2.6%
H1 2023 recurring EPS growth vs. H1 2022

Dividend policy
Cash dividend, 75% payout

€1.57
recurring EPS expected in 2023

Delivering a stable and predictable financial performance

1. EPRA LTV including RETTS

Financial impact of the acquisition of Galimmo SCA

Immediately accretive transaction

Recurring EPS accretion +3-5%[1]
Immediately accretive from closing in summer 2024

EPRA NDV per share pro forma +5%[1]
35% discount to gross asset value of Galimmo portfolio

€5m estimated synergies

- Principally cost synergies, for example corporate and listing costs and scale economies
- Revenue synergies from Carmila platform

Limited (ca. 160bps) LTV impact

	H1-2023	Pro Forma
Net debt[1] (€M)	2,244	~2.6bn
GAV[1] (€M)	6,022	~6.7bn
LTV[2]	37.3%	38.9%

Ca. €360m new financing: €294m acquisition debt and ~€65m Galimmo SCA debt to be refinanced[1]

Financing options: bond or bank debt (preliminary interests expressed)

S&P BBB rating / stable outlook[3]

1. Based on Galimmo 2022 figures; net of disposal of the Belgian exposure for c. €76m
2. EPRA LTV including real estate transfer taxes
3. « [Existing] […] rating headroom […] to absorb the announced acquisition » S&P ratings bulletin, 13 July 2023


URIDAD 2 METROS

Successful execution has positioned Carmila for growth

Delivering on the priorities of the strategic plan

- Confirmation of the quality of Carmila's portfolio and asset rotation in line with appraisal values
- Strong leasing activity and high occupancy supported by incubator strategy, pivot to new retailers and agile transformation projects
- Organic growth in recurring earnings per share, growth initiatives and a strong balance sheet

Galimmo: a complementary growth opportunity

- Successful execution of its roadmap has put Carmila in a position to take advantage of growth opportunities

Q&A session