

Carmila Investor Presentation

March 2023





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Presentation of Carmila

2

Activity Overview and Financial Performance

3

Conclusion

CARMILA owns and manages 208 shopping centres in France, Spain and Italy



LEADING CENTRES IN THEIR AREA



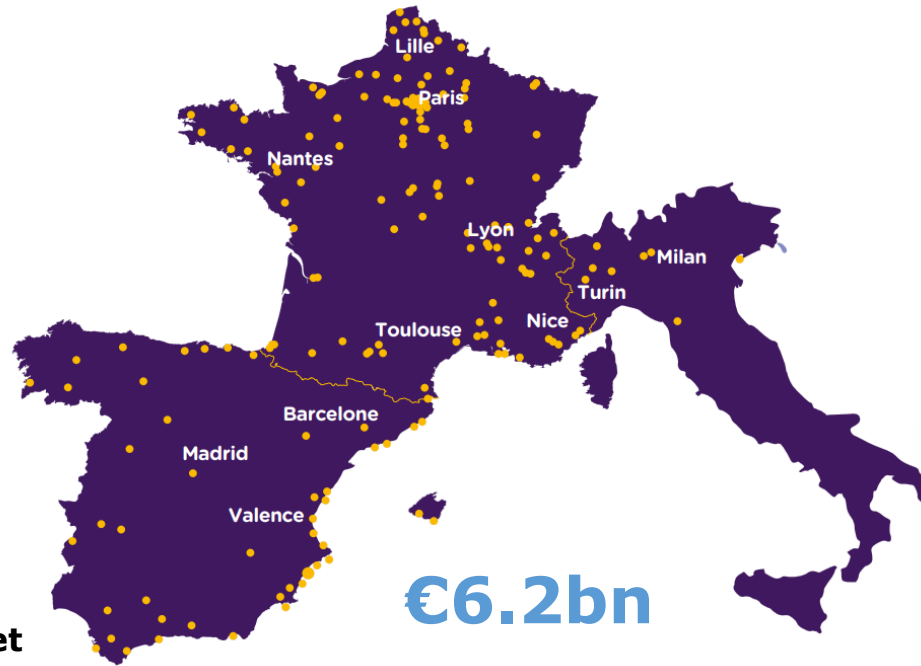
CARREFOUR

Carmila centres are attached to Carrefour hypermarkets

Carmila does not own the hypermarket (no tenants >2% of rental base...)

Carrefour owns 36% of Carmila's share capital

Strong synergies with Carrefour (development, commercial, marketing, operations...)



€6.2bn

Gross Asset Value



France
121 centres

Complete national coverage,
medium-sized cities



Spain
79 centres

Major cities (Madrid, Barcelona, etc.) and tourist destinations (Malaga, Majorca, Seville, Valencia...)



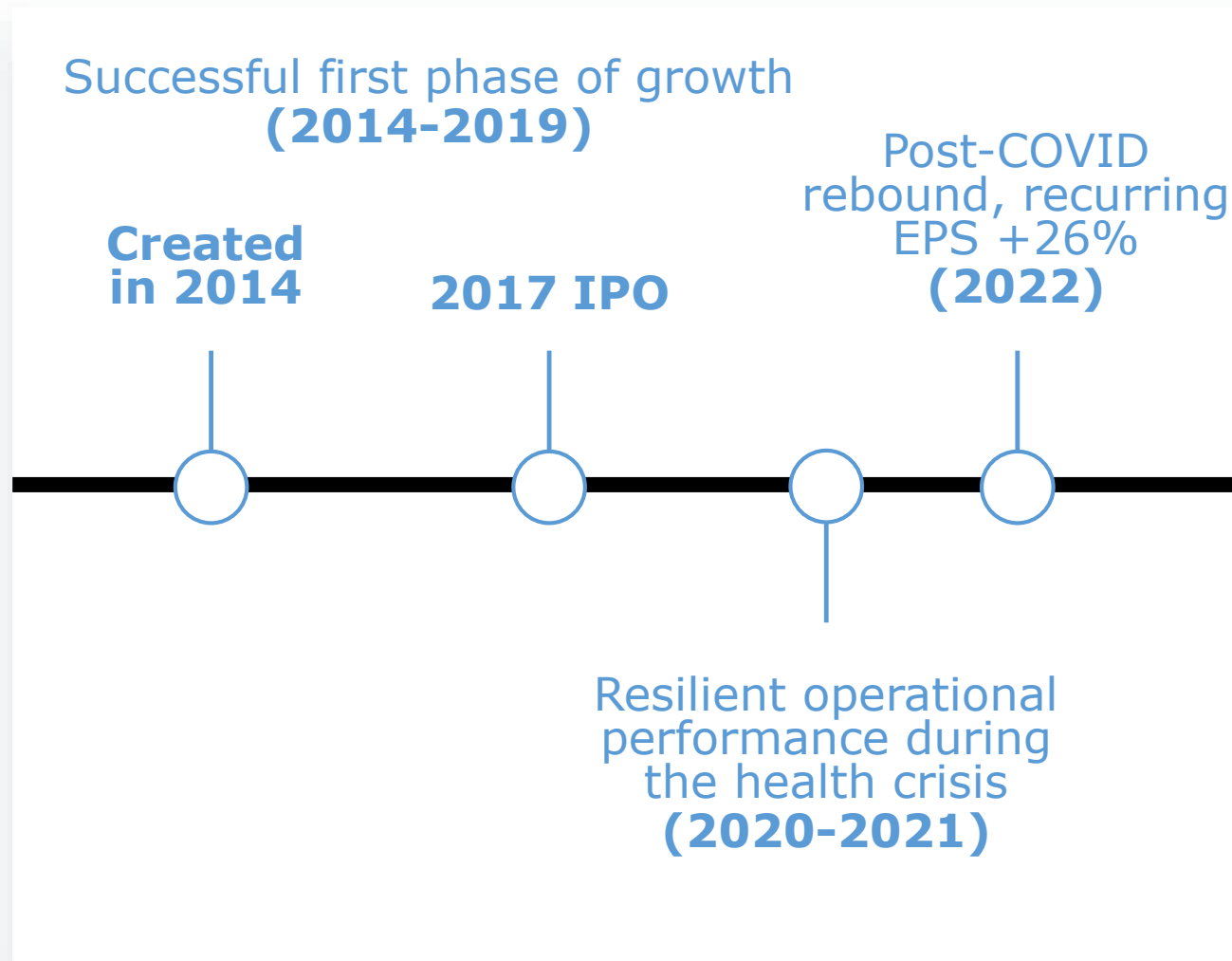
Italy
8 centres

Northern Italy

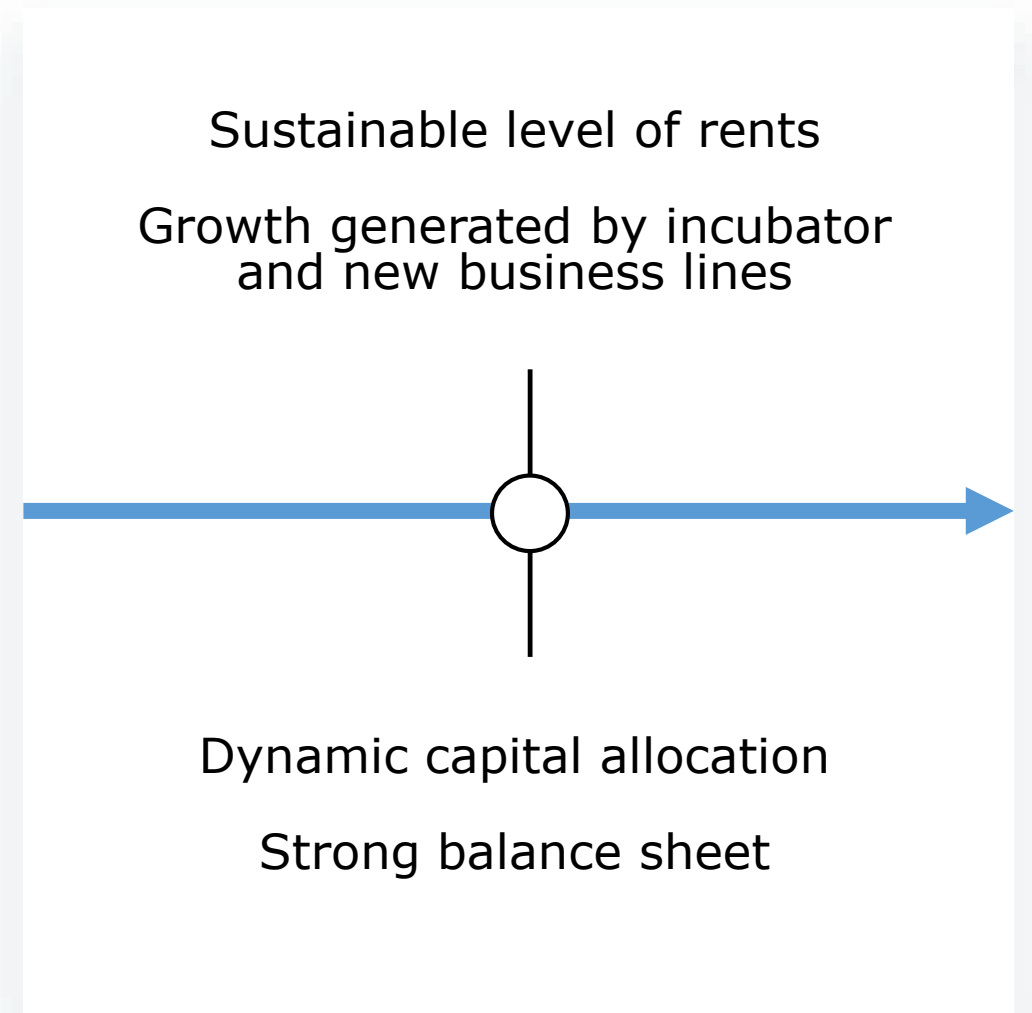
Carmila is the 3rd largest listed owner of commercial property in Europe



History of Carmila



Outlook 2023-2026



Key Figures

€6.2bn

**Gross Asset Value
end-2022**

€1.56

recurring EPS in 2022

35.8%

LTV¹ at end-2022

€25.26 / share

EPRA NTA end-2022

€1.17

**Dividend per share in
cash proposed² in
2023**

7.7x

Net debt/EBITDA 2022

1. EPRA LTV including RETTS

2. To be proposed to shareholders at the annual meeting in May 2023



The key strengths of Carmila's portfolio of shopping centres



Local leaders in mid sized cities

- The right assets for their catchment areas (~30 stores on average)
- ~90% of sites are local leaders or co/leaders
- Benefiting from the renaissance of mid-sized cities



Carrefour hypermarket anchor

- Hypermarkets: the “first” discount format
- Hypermarket at the heart of a multi-format and omnichannel ecosystem that has gained market share in France and Spain



Adapting the mix-merch

- Affordable rents facilitate the pivot to services and new concepts
- Focus on healthcare (310 tenants as of end-June 22)
- The right mix of anchor tenants (fashion, pharmacies, discount...)



Ability to transform assets

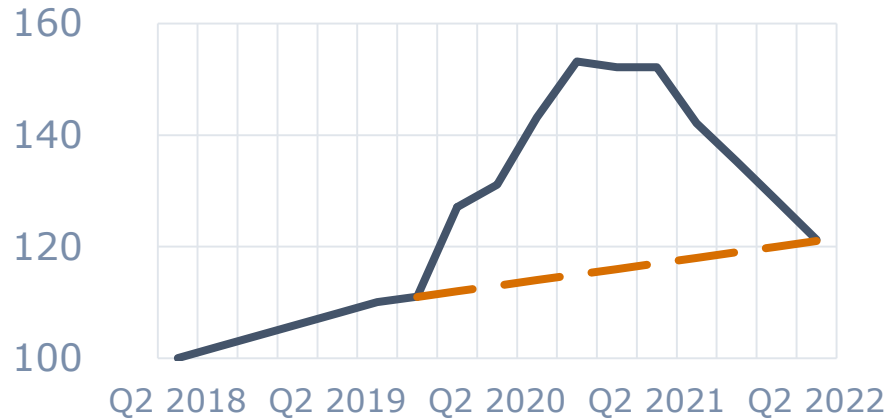
- Strong track record of restructuring and development projects
- Fully renovated assets
- Boosting satisfaction of retailers and customers

Finding a new balance in retail after the health crisis



E-commerce sales

(BtoC, including marketplaces, Q2 2018 = 100)



- **E-commerce sales for goods in France -15% in H1 2022 vs H1 2021**

Source : Fevad, H1 2022

Retailers investing in physical stores

LA REVANCHE DES MAGASINS SUR LE COMMERCE EN LIGNE

The comeback of physical stores vs. e-commerce, **Figaro 20 January 2022**



The Brands that are attracting investors, **LSA 29 September 2022**



The mad ambition of a hard discountier [Action], **Le Point 25 August 2022**



"[Brands] are gaining market share with appealing collections all year round", **Figaro 10 January 2023**

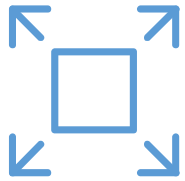
Primark on the offensive, **Figaro 29 November 2022**



Primark à l'offensive

Omnichannel is the winning model

Carmila 2022-2026 Roadmap



**An incubator
and an
omnichannel
platform for
retailers**



**A leader in the
sustainable
transformation
of local regions**



**Breaking new
ground**

*Digital infrastructure investment
with Next Tower*

*Minority venture investments
with Carmila Retail Development*

Building sustainable growth

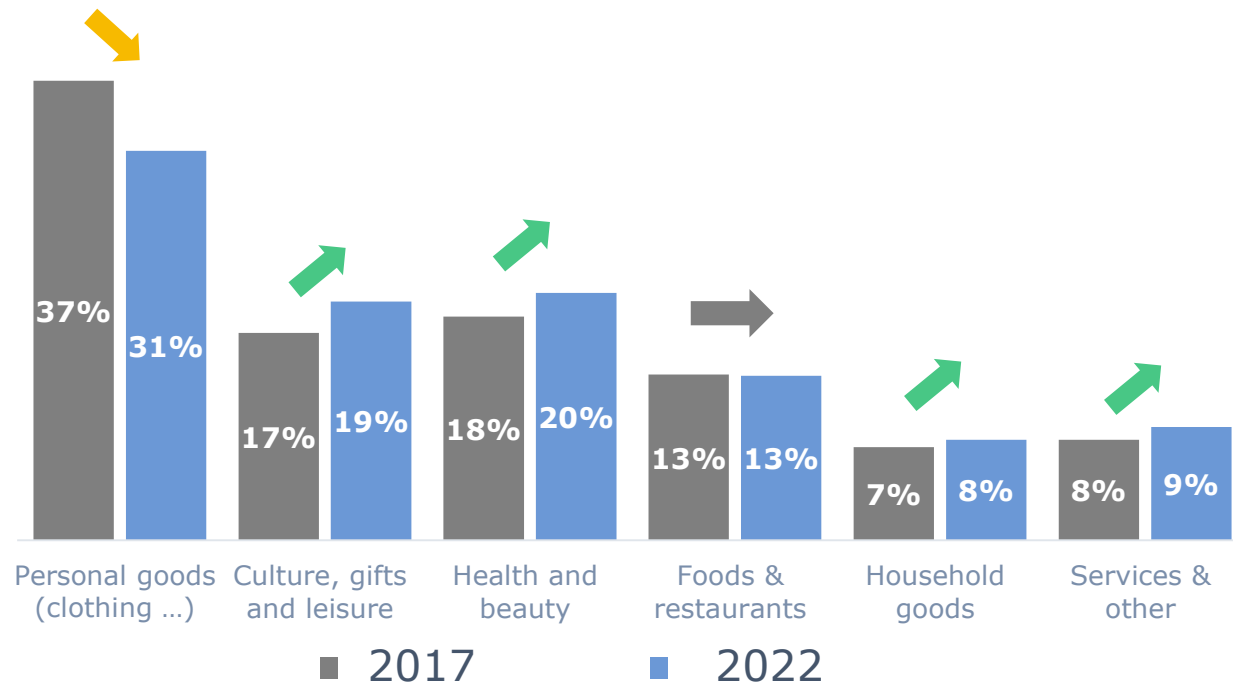




Pivoting the mix-merch and providing services to retailers

More health and beauty, less fashion

% of Carmila tenants by share of rental base (end-2022)



Incubating DNVB* and new concepts, pop-up stores, specialty leasing, events



Healthcare: 15% of gross rental income by 2026



A complete range of omnichannel and support services

A leader in the sustainable transformation of local regions



Net zero climate commitment

Target: Net zero scope 1 and 2 emissions by 2030

Accelerating on net zero:

New investment programme to reduce energy consumption in centres by 40%

Carbon offsetting in partnership with local farms launched in 2022 

Included in CAC SBT 1.5° Index



Exemplary non-financial reporting

Target: 100% of assets BREEAM certified by 2025, 100% very good by 2030

On track with BREEAM certification:

97% of assets¹ certified at end-2022

Recognition for non-financial reporting

EPRA Gold for non-financial reporting, CDP "A" rated



Always investing and transforming our centres

RESTRUCTURING



 **Laval in France**

- Transformation of centre and new retailers

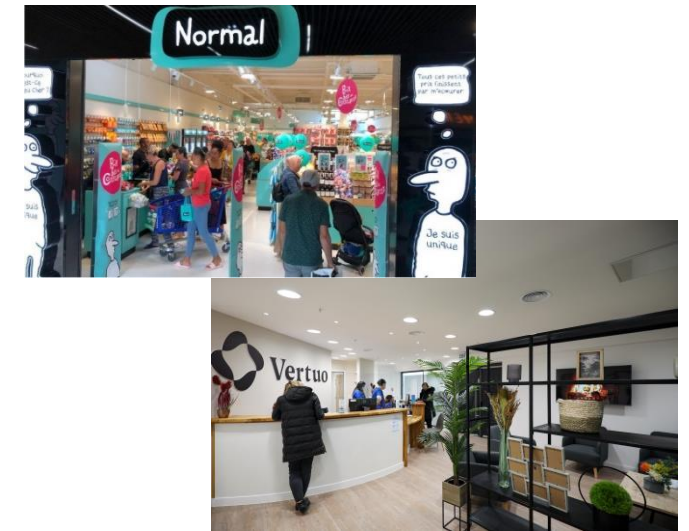
DEVELOPMENT



 **Holly's Diner in Languieux
Puget-sur-Argens food court**

- New restaurants on car parks

HEALTH AND MID-SIZED STORES



 **Normal in Pau Lescar
Vertuo in Athis-Mons**

- New mid-sized stores and healthcare tenants

 **36 projects delivered in 2022 (€44M of CAPEX), 33 projects planned for 2023**

A long-term pipeline of major projects and mixed-use development



FIVE MAJOR PROJECTS

€200M CAPEX (vs. €550M previously)

- No building work currently underway
- First projects in pipeline to begin in 2025
- Redesigned projects

MIXED-USE

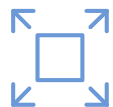
- Nantes and Sartrouville
- Other projects alongside Carrefour in development



**Respecting the highest environmental standards
and urban redevelopment priorities**

Growth from new business lines

Omnichannel
incubator



Income from services to
retailers



A mobile tower company
with €180M of assets by
2026

CARMILA
RETAIL
DEVELOPMENT

A portfolio of minority
investments in innovative
new retail concepts

flotte.



Merci
Handy

5G



meilleur audio

CIGUSTO
LES VAPOTEURS QUI ONT DU GÔÛT

LA BARBE DE PAPA
COIFFEUR & BARBIER FRANÇAIS

Vertuo
On prend soin de vous

€30M annual contribution to recurring earnings by 2026





1

Presentation of Carmila

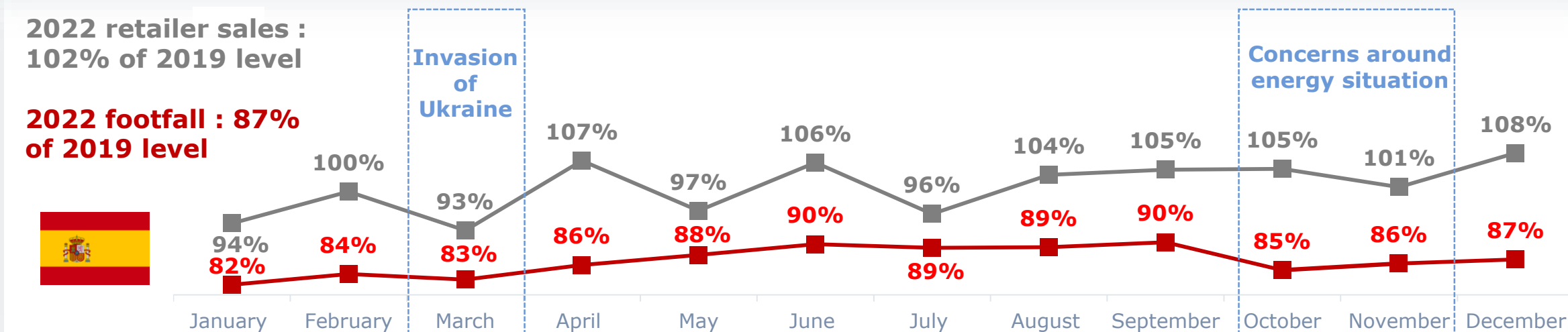
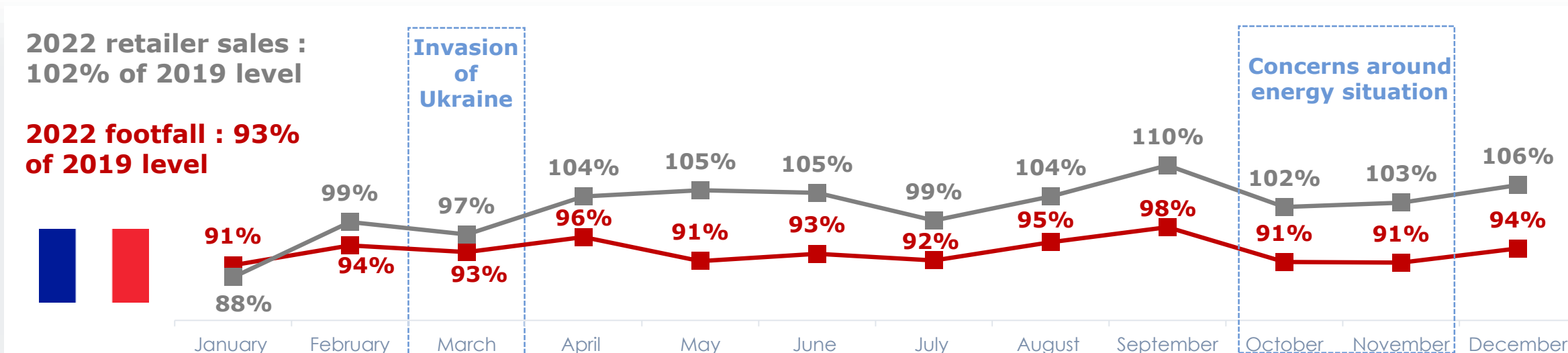
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Retailer sales higher than in 2019



Strong commercial momentum in 2022

**Good level of new
business signed in
2022**

854

**Long-term leases signed
in 2022**

**No change in policy on lease
terms, incentives, or fit out costs**

Positive reversion

+1.5%

**Above previous
passing rents**

**High level of
occupancy**

96.5%

**Financial occupancy rate
(+20 bps vs. end-2021)**



The right mix of retailers for each Carmila centre



The pivot to a new mix-merch has helped Carmila centres to outperform¹

1. footfall vs. sector +4pts in France (% of 2019 footfall); and +1pts in Spain (% of 2019 footfall). Source : Quantaflow and Shopper Trak.

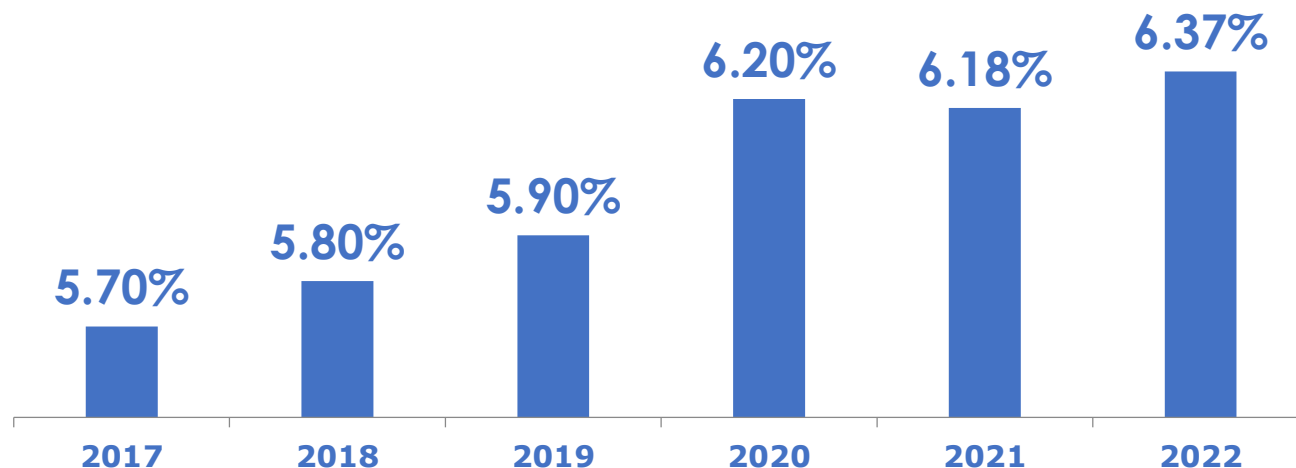
Increase in the like-for-like valuation of assets

➔ Valuation of portfolio as of 31 December 2022

Market value

€6,166M

Average capitalisation rate (Net Potential Yield) : 6.37%



31 Dec. 2022
(vs 31 Dec. 2021)

-0.8%

Total (reported)

Like-for-like
change

(vs 31 Dec. 2021)

+1.0%

Total (like-for-like)

Reasonable appraisal assumptions

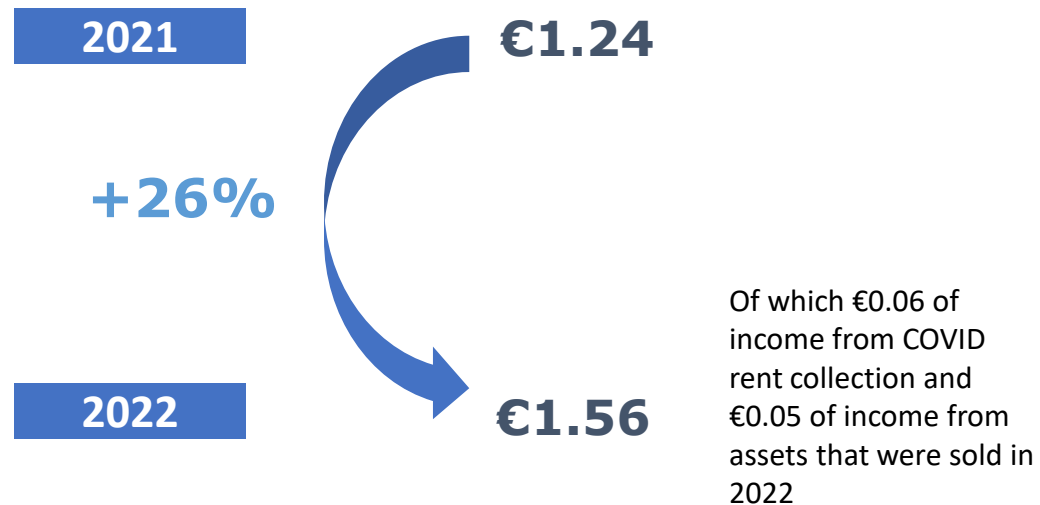
- Net Rental Income CAGR : 2.1%
- Exit cap rate : 6.3%
- Discount rate : 7.6%
- Net Initial Yield : 6.1%

Positive appraiser feedback

- Reasonable level of rents (€260 per square metre, 10.5% occupancy cost ratio, -50bps vs. 2019)
- Strong asset management track record

Recurring Earnings Per Share: rebound in 2022

Recurring Earnings Per Share



2022 Performance

Recurring EPS +26% vs. 2021 at €1.56

Faster normalisation of rent collection than expected

Organic rental growth +4.2%, of which indexation +3.2%

Additional net rental income in 2022 (recovery of rent from prior years)

2022 Dividend and Outlook for 2023

DIVIDEND

€1.17 per share in cash to be proposed* in 2023 (+17% vs. previous dividend)

Dividend Policy:

75% payout of recurring earnings, at least €1 per share, in cash

2023 OUTLOOK

€1.57 recurring EPS expected in 2023

Positive indexation effect on rents
(+4% from Q1 2023)

Confident on rent collection

Impact from disposals

+8% organic growth** in 2023

Faster than expected recovery in 2022, growth in 2023



*to be proposed to annual meeting of shareholders in May 2023

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

Strong Balance Sheet

Committed to BBB S&P rating

**High level of confidence on
portfolio valuation
assumptions**

**Significant headroom vs. bank
covenants**

	End-2021	End-2022
Net debt (€M)	2,323	2,204
GAV ¹ (€M)	6,214	6,166
EPRA LTV (including RETTS)	37.4%	35.8%
EPRA LTV	39.2%	37.6%
Net debt/EBITDA	9.7x	7.7x

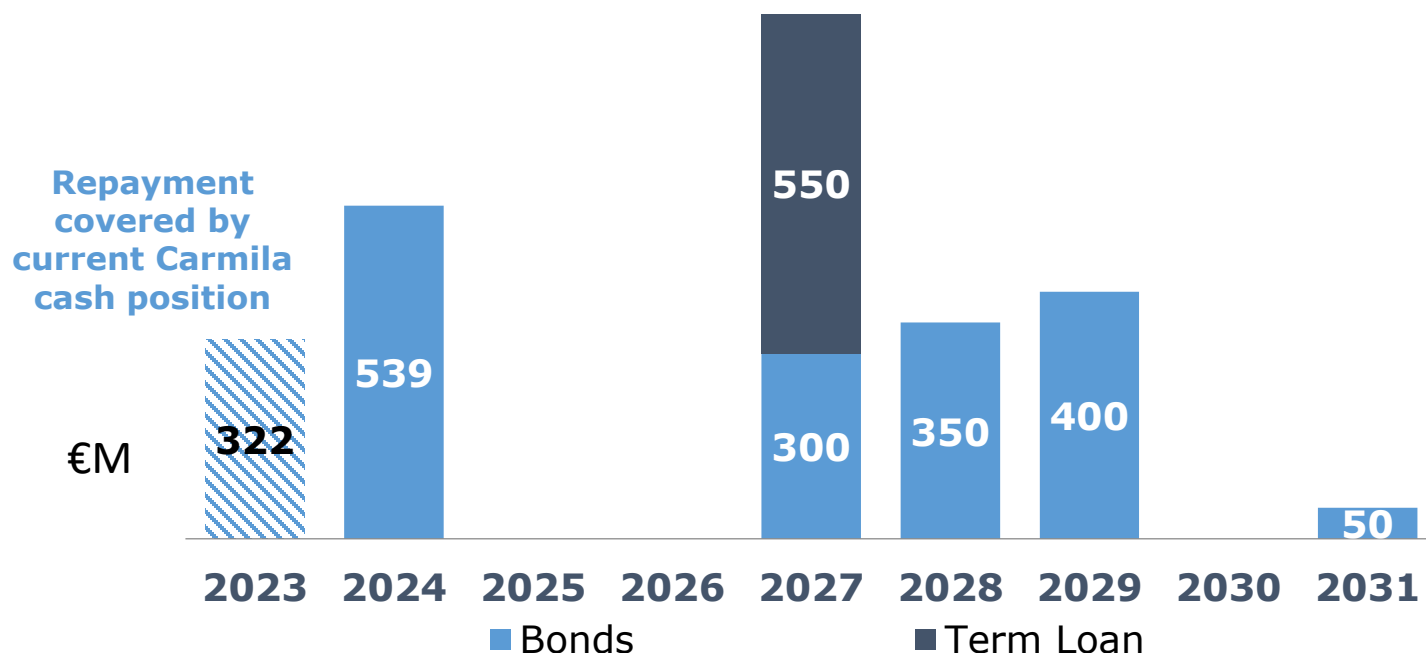
LTV²: 35.8% at end-2022



1. Including transfer taxes
2. EPRA LTV including RETTS

Strengthened liquidity position and funding structure

Carmila Maturity Profile*: End-December 2022



New term loan signed in July 2022:

New €550M sustainability linked term loan (5 year maturity, 2 year extension option), E3M+180bps

BBB rating with a stable outlook from S&P

Liquidity:

€897M (including €357M in cash and cash equivalents) at end 2022

Average cost of debt: 2.2%

Average remaining maturity: 4.4 years**

ICR 4.5x (vs. 3.9 at end-2021),
Net debt/EBITDA 7.7x (vs. 9.7x at end-2021)

Interest rate risk: interest rate hedging position of €760 million



*Not including €50 million of commercial paper (<6 months) and €540M undrawn RCF maturing in 2027 following exercise of first extension option

**Excluding the 2023 bond, pre-refinanced by the term loan signed in July 2022

Asset rotation and development: More active management of the portfolio for greater flexibility

SUCCESSFUL FIRST PHASE

€240 million of disposals agreed or closed as of today

€24 million acquisition of Rosaleda in 2022

€30 million share buyback in 2022

USE OF PROCEEDS OF DISPOSALS

Development

Shareholder return

Strengthen balance sheet

€100M additional disposals by end-2024, new €20M share buyback





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A successful first year of the plan: “Building Sustainable Growth”



Record performance and operational excellence

Rebound in retailer sales post COVID, high occupancy, commercial activity supported by transformed assets, pivot to new retailers and ecosystem of services

Ahead of schedule on first milestones of the plan

Recurring earnings above 2023 target level, €240 million of disposals, in line with appraisal values, strong balance sheet, growth initiatives on track

Confident thanks to a strengthened business model

Ability to transform assets, positive effects from projects executed during the health crisis, affordable level of occupancy costs for retailers, able to pass on inflation, asset rotation opportunities