2024 HALF-YEAR FINANCIAL REPORT, INCLUDING THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Since Carmila took control of Galimmo by acquiring 93% of its shares on 1 July 2024, data pertaining to its rental base, assets and financial statements are not included in the Half-Year Financial Report at 30 June 2024.

1. PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

1.1. Person responsible for the Half-year Financial Report

Marie Cheval, Chair and Chief Executive Officer of Carmila

1.2. Statement by the person responsible for the Half-year Financial Report

"I hereby declare that, to the best of my knowledge, the half-year 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. I further declare that the information contained in this Half-year Financial Report is in accordance with the facts that have occurred during the first half-year, with their impact on the financial statements, and with the main transactions between related parties, and that it presents the main risks and uncertainties for the remaining half-year."

Marie Cheval, Chair and Chief Executive Officer of Carmila

2. FIRST-HALF 2024 BUSINESS REVIEW

2.1. Leasing activity

2.1.1. Summary

Carmila saw good momentum in its leasing activity in first-half 2024, with the Company signing 490 leases for total minimum guaranteed rent (MGR) of €27.0 million (up 23.8% year on year), or 7.2% of the rental base. Reversion was a positive 2.7% for the first half of the year.

(in thousands of euros)	30 June 2024				
	Leased vacant premises		Renewals		Total
	Number of leases	Annual MGR	Number of leases	Annual MGR	Reversion
France	144	10,243	48	3,123	3.3%
Spain	108	3,291	158	7,916	2.2%
Italy	9	428	23	2,010	1.5%
Total	**261**	**13,962**	**229**	**13,049**	**2.7%**

(in thousands of euros)	30 June 2024		30 June 2023		30 June 2022	
	Total		Total		Total	
	Number of leases	Annual MGR	Number of leases	Annual MGR	Number of leases	Annual MGR
France	192	13,366	188	12,594	233	14,265
Spain	266	11,207	205	7,736	266	10,240
Italy	32	2,438	24	1,488	18	1,165
Total	**490**	**27,011**	**417**	**21,818**	**517**	**25,670**

Leasing activity reflects Carmila's differentiating strategy in terms of its merchandise mix. The number of leases signed during the period together with the positive reversion, underline the appeal for retailers of local shopping centres anchored by Carrefour hypermarkets.

Leasing highlights during the first half of the year included:

- Continued support for new retail trends such as sport and leisure, including for large units (Decathlon, Speed Park, Intersport, L'Appart Fitness).
- The gradual reduction in exposure to the ready-to-wear segment (currently 29% of rental income) and fashion accessories, and the development of dynamic retailers such as Balaboosté, Grain de Malice and Lacoste.
- The continued strengthening of the health offering (Alain Afflelou, Optic 2000, Soloptical).
- The success of Carmila Franchise, the support platform for franchisees (Jeff de Bruges, Leonidas, Adopt).

2.1.2. 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 innovative offerings. Temporary retail is focused on two areas:

- Specialty Leasing;
- Pop-up Stores.

Pop-up Store revenue was up sharply by 15.9% year on year.

(in thousands of euros)	First-half 2024 Specialty Leasing	First-half 2024 Pop-up Stores	First-half 2024 Total SL+PS	First-half 2023 Specialty Leasing	First-half 2023 Pop-up Stores	First-half 2023 Total SL+PS	Change %
France	2,991	1,272	4,263	2,583	819	3,402	25.3%
Spain	2,754	161	2,915	2,524	179	2,703	7.8%
Italy	654	67	721	628	80	708	1.8%
Total	**6,399**	**1,500**	**7,899**	**5,735**	**1,078**	**6,813**	**15.9%**

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 entering into digital advertising partnership agreements.

In the first half of 2024, the Specialty Leasing business generated good momentum on the back of innovative new concepts such as the sale of surprise packages and themed exhibitions, and celebration days (home and car shows; Valentine's and Easter).

Pop-up Stores

Carmila offers retailers the opportunity to open pop-up stores for periods ranging from 4 to 34 months. The pop-up store concept is burgeoning, helping to re-energise Carmila centres with new and innovative concepts. Carmila can also accommodate flash pop-up formats such as one-day to one-week sales events.

Leasing activity with pop-up stores experienced growth, with first-half highlights including a large number of flash pop-up events showcasing themes such as second-hand clothing and plants.

2.1.3. Structure of leases

With 5,444 leases under management at 30 June 2024, Carmila has a solid and diversified base of tenants, with rents from the Carrefour group representing less than 0.7% of net rental income in 2024. Annualised rents totalled €383.1 million.

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

	At 30 June 2024			At 31 Dec. 2023		
Country	Number of leases	Annualised rent (€m)	% of total	Number of leases	Annualised rent (€m)	% of total
France	3 407	256,7	67,0%	3 469	248,6	66,5%
Spain	1 743	102,6	26,8%	1 796	101,5	27,1%
Italy	294	23,8	6,2%	295	23,9	6,4%
Total	**5 444**	**383,1**	**100%**	**5 560**	**374,0**	**100%**

Principal tenant retailers

At 30 June 2024, the 15 leading tenants accounted for 18.1% 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 30 June 2024.

	At 30 June 2024			At 31 Dec. 2023		
Business segment	Number of leases	Annualised rent (€m)	% of total	Number of leases	Annualised rent (€m)	% of total
Clothing & Accessories	1 144	111,3	29,0%	1 230	111,1	29,7%
Health & Beauty	1 214	78,3	20,4%	1 236	74,5	19,9%
Culture, Gifts & Leisure	853	56,7	14,8%	846	54,2	14,5%
Food & Restaurants	841	52,4	13,7%	847	50,8	13,6%
Household Furnishings	342	35,1	9,2%	311	33,2	8,9%
Services	863	25,5	6,6%	897	27,4	7,3%
Sports	170	23,3	6,1%	176	22,6	6,0%
Other	17	0,6	0,2%	17	0,3	0,1%
Total	**5 444**	**383,1**	**100%**	**5 560**	**374,0**	**100%**

Breakdown of rent by business segment on an annualised basis

The table below shows Carmila's annualised rents by business segment at 30 June 2024:

	At 30 June 2024			At 31 Dec. 2023
Business segment	Number of leases	Annualised rent (€m)	% of total	% of total
Clothing & Accessories	1,144	111.3	29.0%	29.7%
Health & Beauty	1,214	78.3	20.4%	19.9%
Culture, Gifts & Leisure	853	56.7	14.8%	14.5%
Food & Restaurants	841	52.4	13.7%	13.6%
Household Furnishings	342	35.1	9.2%	8.9%
Services	863	25.5	6.6%	7.3%
Sports	170	23.3	6.1%	6.0%
Other	17	0.6	0.2%	0.1%
Total	**5,444**	**383.1**	**100%**	**100%**

The decrease in Clothing & Accessories and Services rents as a proportion of total rents (decreases of 66 and 68 basis points, respectively) mainly benefited Health & Beauty (up 51 basis points), Culture, Gifts & Leisure (up 31 basis points) and Household Furnishings (up 28 basis points). The proportion of the rental base represented by the other segments remained stable in terms of rent.

Lease expiry dates

At 30 June 2024, the average lease term was 4.5 years, breaking down as 4.7 years in France, 4.2 years in Spain and 3.3 years in Italy.

The table below shows the expiry dates for commercial leases relating to the property portfolio for the 2024-2033 period :

Lease expiry dates	At 30 June 2024		
	Number of leases	Maturity*	Annualised rent (€m)
Expired 30 June 2024	380		28.7
2024	446	0.3	25.8
2025	463	1.1	23.4
2026	539	2.2	33.5
2027	590	3.2	43.7
2028	517	4.1	35.9
2029	458	5.1	31.0
2030	561	6.3	42.1
2031	476	7.1	34.7
2032	396	8.2	29.0
2033	285	9.1	21.4
Beyond 2033	333	10.0	34.0
Total	**5,444**	**4.5**	**383.1**

* Average remaining lease maturity in years.

Lease terms and rents are calculated over the residual term of the lease.

2.1.4. Financial occupancy rate

Country	Financial occupancy (excl. strategic vacancies)		
	30 June 2024	31 Dec. 2023	30 June 2023
France	96.1%	96.7%	96.3%
Spain	95.0%	95.7%	95.2%
Italy	98.5%	99.0%	98.6%
Total	**96.0%**	**96.6%**	**96.1%**

At 30 June 2024, the consolidated financial occupancy rate of Carmila's assets was 96.0%, slightly lower than at 30 June 2023 (96.1%), breaking down as 96.1% in France (versus 96.3% at end-June 2023), 95.0% in Spain (95.2% at end-June 2023) and 98.5% in Italy (98.6% at end-June 2023),

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 0.5% in France, 3.0% in Spain and 0.7% in Italy, representing a consolidated impact for Carmila of 1.2% at 30 June 2024.

2.1.5. Retailer occupancy cost ratio

The occupancy cost ratio of Carmila's tenants broken down by country at 30 June 2024 and 31 December 2023 is as follows (rolling 12 months):

	Occupancy cost ratio	
	Rolling 12 months	
Country	**30 June 2024**	**31 Dec. 2023**
France	10.5%	10.3%
Spain	11.0%	11.0%
Italy	12.1%	11.9%
Total	**10.7%**	**10.6%**

The occupancy cost ratio of Carmila's tenants broken down by country at 30 June 2024 (rolling 12 months) is as follows: France 10.5%, Spain 11.0% and Italy 12.1%.

Occupancy cost ratio is an important indicator for Carmila in determining the proper level of rent for each tenant as a function of its business and in evaluating the financial health of a tenant over the term of its lease.

The occupancy cost ratio is defined as the ratio between (i) rent and rental charges (excluding VAT) and (ii) retailer sales.

The rent and rental charges used to calculate occupancy cost ratios are made up of fixed rent, variable rent and rental charges and property taxes that are passed on to tenants. They do not include (i) incentives or (ii) marketing fund costs passed on to tenants.

2.2. Footfall and retailer sales

	Change in footfall and retailer sales in 2024 versus 2023		
France	Q1 2024	Q2 2024	H1 2024
Footfall as a % of 2023	100%	97%	99%
Retailer sales as a percentage of 2023	102%	100%	101%
Spain	Q1 2024	Q2 2024	H1 2024
Footfall as a % of 2023	101%	99%	100%
Retailer sales as a percentage of 2023	103%	99%	101%
Italy	Q1 2024	Q2 2024	H1 2024
Footfall as a % of 2023	102%	98%	100%
Retailer sales as a percentage of 2023	100%	99%	100%
Total	Q1 2024	Q2 2024	H1 2024
Footfall as a % of 2023	101%	98%	99%
Retailer sales as a percentage of 2023	102%	100%	101%

In the first half of 2024, retailer sales in Carmila centres were up 1% year on year. Footfall was down slightly, with very similar trends in all three countries. Carmila centres experienced a sharp increase in footfall in first-half 2023, particularly in Spain, partly due to very favourable weather conditions and growth in tourism.

2.3. Acquisition of 93% of Galimmo SCA

On 1 July 2024, Carmila announced the closing of the acquisition of 93% of Galimmo SCA's share capital for a total consideration of €272 million, or €9.02 per share. The closing took place at the same time as the acquisition by Carrefour of Cora France.

Prior to these transactions, Galimmo SCA sold to its controlling shareholder its non-strategic minority stake of 15% in its Belgian subsidiary and the loan granted to this entity for €76.5 million. The complementary locations of Carmila and Galimmo assets and their respective track records in asset management offer the opportunity to create a unique player in retail real estate in France.

The 52 assets in Galimmo's portfolio, mainly located in the North-East of France, were valued at €675 million at end-December 2023, with 13 shopping destinations in their catchment areas accounting for 79% of the value of the portfolio (€535 million).

The geographic complementarity of Carmila and Galimmo assets offer the opportunity to integrate a high-quality portfolio into an efficient platform and to roll out Carmila's strategy over a larger scope.

Due to the proximity of the date on which control was acquired to the closing date of the 2024 interim financial statements, work on the initial recognition of the business combination had not been finalised at the date on which the Group's consolidated financial statements were published. As a result, certain information required by IFRS 3 on business combinations occurring between the reporting date and the closing date of the financial statements is not disclosed in these financial statements and will be provided in subsequent financial publications.

However, initial assessments of the fair value of the assets acquired and liabilities assumed suggest that the transaction will give rise to negative goodwill estimated at €158 million. This estimate will be confirmed within 12 months of the acquisition date.

The negative goodwill, reflecting the difference between the purchase price and the fair value of the net assets acquired, reflects the very specific situation of the simultaneous acquisition of Cora shops by Carrefour and shopping centres by Carmila, covering Galimmo SCA's entire portfolio and business in France.

The purchase price for the shares was €272 million, paid in full in cash. Total transaction costs incurred by the Group amounted to €6.1 million, recognised in the consolidated income statement at 30 June 2024 under other operating expenses. In the first half of 2024, the acquired scope generated net rental income of €20.7 million for attributable net income of €7.8 million.

Taking this negative goodwill into account, Carmila's post-acquisition NAV NTA is estimated at €25.57 and its NAV NDV at €24.48 (up 5.8% and 2.9% compared to end-2023, respectively). Carmila's post-acquisition EPRA LTV (including transfer taxes) is estimated at 39.7% (up 175 basis points versus 30 June 2024).

The transaction will be immediately accretive to Carmila's shareholders as regards recurring earnings per share (approximately 5% including annualised run-rate synergies). Estimated annualised run-rate synergies amount to €5 million, mostly related to overhead costs.

2.4. Potential increase in Galimmo SCA stake to 99.9%

On 1 July 2024, Carmila took control of Galimmo SCA through the acquisition of 93% of the company's shares.

On 28 June 2024, Carmila granted Primonial REIM France a put option to sell its entire 7% stake in Galimmo SCA, exercisable until 30 July 2024, for approximately €27 million (i.e., €11.93 per share).

In the event the put option is exercised by Primonial REIM France, Carmila will own 99.9% of the share capital of Galimmo SCA, representing a total investment of €299 million, an average acquisition price of €9.22 per share and a 38% discount to the NDV EPRA NAV at 31 December 2023.

Carmila will file a tender offer in the coming weeks, followed – in the event the put option is exercised – by a squeeze-out, for the remaining shares in Galimmo SCA.

The tender offer price will depend on the implementation of a squeeze-out. In any event, this tender offer price will not be lower than €11.93 and will remain subject to the work of the independent expert to be appointed by Galimmo SCA in accordance with legal and regulatory provisions.

2.5. Carmila keeps up its energy conservation plan

Carmila is targeting "net zero" Scopes 1 & 2 carbon emissions by 2030, and its 2019-2030 carbon pathway (1.5°C for Scopes 1 & 2 and 2°C for Scope 3) has been validated by the SBTi.

Thanks to its ambitious energy conservation plan based on a combination of technological innovation (artificial intelligence, building management systems, etc.), investment (replacing HVAC equipment, lighting) and careful management of facilities, Carmila has made substantial savings. Once again this year, Carmila won six prizes in the Cube Flex challenge organised by French power grid operator RTE, Action for Market Transformation and French building performance institute IIFPEB, including all three prizes in the Retail category for "experienced" buildings (prize winners in the inaugural edition of the awards), showcasing the effectiveness of Carmila's long-term energy conservation plan.

2.6. Other information

Completion of a €10 million share buyback programme in first-half 2024

During the first half of 2024, Carmila carried out a €10 million share buyback programme, which was launched on 29 April and completed on 11 July 2024. Approximately 60,000 of the 601,716 shares bought back were allocated under the 2021 free share plan to Carmila managers and employees. The remaining portion will be held by Carmila for cancellation.

2.7. Outlook

2024 recurring earnings per share expected at more than €1.65

Full-year 2024 recurring earnings per share are expected to increase by 3.5% versus 2023, to €1.65.

This guidance takes into account the Group’s solid performance in the first half as well as the impact of the Galimmo acquisition, which will contribute 3% to full-year growth (excluding synergies). As the integration took place with effect from 1 July, Galimmo's contribution to the Group's full-year 2024 growth is expected to be 1.5%. Synergies – estimated at €5 million – will take effect gradually from 2025.

3. ASSETS AND VALUATION

3.1. Key figures concerning the portfolio

3.1.1. Description of the portfolio

At 30 June 2024, Carmila had 201 shopping centres and retail parks adjoining Carrefour hypermarkets located in France, Spain and Italy, valued at €5.9 billion, including transfer taxes and work in progress, for a total leasable area of close to 1.6 million sq.m.

Carmila is the owner of its assets which are either divided into units or held under co-ownership arrangements. 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.

3.1.2. Presentation of Carmila's most significant assets

Out of 201 commercial real estate assets making up Carmila's portfolio, 15 assets represent 41% of the appraisal value (including transfer taxes) and 27% of the gross leasable area at 30 June 2024. The following table provides information about these 15 properties:

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area (sq.m.)
France					
BAB 2 - Anglet	1967	2014	2017	128	28,860
Calais-Coquelles	1995	2014	2019	161	54,887
Toulouse Labège	1983	2014	-	129	24,327
Thionville	1971	2016	-	170	32,304
Vitrolles	1971	2018	2024	83	24,998
Bay 2	2003	2014	-	104	20,952
Nice-Lingostière	1978	2014	2021	101	21,110
Saran-Orléans	1971	2014	2017	91	39,120
Montesson	1970	2014	-	67	13,288
Évreux	1974	2014	2017	77	37,842
Chambourcy	1973	2014	2015	75	21,371
Perpignan Claira	1983	2014	2013	80	21,168
Orléans Place d'Arc	1988	2014	2018	64	13,598
Total France (top 13)				**1,330**	**353,825**
Spain					
Fan Mallorca	2016	2016	2016	105	38,120
Huelva	2013	2014	2013	90	33,376
Total Spain (top 2)				**195**	**71,496**
Total (top 15)				**1,525**	**425,321**
Group total				**6,674**	**1,577,822**

3.2. Asset valuation

3.2.1. 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.

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 first-half 2024, as there had been a change of appraiser at all sites in 2019-2020;
- The last third of the portfolio in Spain was rotated between the appraisers Cushman & Wakefield and Catella in first-half 2022;
- Next Tower acquired 14 new antennas in France and 16 new antennas in Spain in the first half of 2024;
- Properties held by equity-accounted companies are recognised at the fair value of the shares in these companies and also take into account advances and credit lines granted by the Group;
- Since Carmila took control of Galimmo by acquiring 93% of its shares on 1 July 2024, its assets are not included in Carmila's portfolio at 30 June 2024.

Geographical segmentation of the portfolio

The valuation of the portfolio (attributable to the Group) was €5,886.9 million including transfer taxes at 30 June 2024, and breaks down as follows:

Gross asset value (GAV) Including transfer taxes (ITT)	**30 June 2024**		
Country	**(in €m)**	**%**	**In number of assets**
France	4,206.8	71.5%	118
Spain	1,342.2	22.8%	75
Italy	337.9	5.7%	8
Total	**5,886.9**	**100%**	**201**

Apart from the fair values determined by the appraisers for each shopping centre, this assessment takes into account assets under construction amounting to €24.4 million at 30 June 2024. Investments in equity-accounted assets (As Cancelas in Spain and the Magnirayas portfolio in France) are included on the basis of the fair value of the shares held by the Group in the companies holding the assets, and also take into account the advances and credit lines granted by the Group for a total amount of €75.2 million.

3.2.2. Change in asset valuations

Gross asset value (GAV) of portfolio, incl. transfer taxes (ITT)	30 June 2024				31 Dec. 2023	
			Period-on-period change			
(in millions of euros)	GAV ITT (€m)	%	In number of assets	% change	GAV ITT (€m)	%
France	4,206.8	71.5%	118	0.5%	4,185.5	71.1%
Spain	1,342.2	22.8%	75	-1.0%	1,356.3	23.0%
Italy	337.9	5.7%	8	-1.4%	342.7	5.8%
Total	**5,886.9**	**100%**	**201**	**0.0%**	**5,884.5**	**100%**

During the first half of 2024, the total value of Carmila's assets increased by €2.4 million (0.0%). The scope was unchanged from end-2023.

3.2.3. Change in yields

	NIY			NPY		
	30 June 2024	31 Dec. 2023	30 June 2023	30 June 2024	31 Dec. 2023	30 June 2023
France	6.29%	6.11%	5.95%	6.57%	6.38%	6.25%
Spain	7.42%	7.32%	7.15%	7.68%	7.56%	7.42%
Italy	6.88%	6.75%	6.63%	7.04%	6.90%	6.77%
Total	**6.58%**	**6.42%**	**6.26%**	**6.85%**	**6.68%**	**6.54%**

3.2.4. Breakdown of appraisal values by CNCC typology

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

At 30 June 2024, regional shopping centres and large shopping centres accounted for 79% of the market value of Carmila's portfolio.

	Appraisals at 30 June 2024			
	GAV ITT (€m)	**% of value**	**Average NRI (€/sq.m.)**	**NIY**
Regional shopping centres	1,507.7	36%	343	5.9%
Large shopping centres	1,843.6	44%	343	5.9%
Local shopping centres	834.0	20%	191	6.3%
France	**4,185.3**	**100%**	**279**	**6.3%**
Regional shopping centres	356.2	27%	268	6.4%
Large shopping centres	615.5	46%	215	7.6%
Local shopping centres	365.0	27%	264	7.8%
Spain	**1,336.7**	**100%**	**238**	**7.4%**
Regional shopping centres	15.8	5%	244	6.6%
Large shopping centres	302.9	90%	260	6.8%
Local shopping centres	19.2	6%	292	7.9%
Italy	**337.9**	**100%**	**261**	**6.9%**
Next Tower	**27.0**	**100%**	**488**	**7.1%**
Regional shopping centres	1,879.7	32%	325	6.0%
Large shopping centres	2,762.0	47%	271	6.7%
Local shopping centres	1,218.2	21%	212	7.2%
Other	27.0	0%	488	7.1%
Grand Total	**5,886.9**	**100%**	**267**	**6.6%**

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

(in millions of euros)	**30 June 2024**	**31 Dec. 2023**
Gross asset value of portfolio (ITT)	5,886.9	5,884.5
Work in progress	(24.4)	(19.9)
Valuation of the share of equity-accounted companies	(75.2)	(76.9)
Transfer taxes and registrations (excluding equity-accounted companies)	(302.1)	(302.1)
Gross asset value ETT (A)	**5,485.2**	**5,485.7**
Fair value of building leases (IFRS 16) (B)	32.8	33.4
Investment property carried at appraisal value (statement of financial position) (A+B)	**5,518.0**	**5,519.0**

3.3. Valuation report prepared by Carmila's independent appraisers

3.3.1. General context of the valuation

Context and terms of the engagement

In accordance with the instructions of Carmila (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, which are regularly used for these types of assets.

Our valuations were undertaken as at 30 June 2024.

Reference documents and general principles

We confirm that our valuations were undertaken in accordance with the appropriate sections of the November 2021 Edition (effective from 31 January 2022) of the RICS Valuation – Global Standards (the ''Red Book''). 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 market value and are reported to the Company on both a gross (market value before deduction of transfer costs) and net basis (market value after deduction of transfer costs).

3.3.2. 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.

Floor areas

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

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions nor an environmental analysis. We have not investigated past events in order to determine if the ground or buildings 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.

Town planning

We have not studied planning consents 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 town 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 which 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.

Sustainability and ESG

Sustainability is an increasingly important factor in real estate market. Many countries have committed to net zero carbon by 2050, with legislation already in place to reduce CO_2 emissions from buildings. We consider it likely that further legislation and regulations will be introduced in coming years. Alongside this, occupiers and investors in some sectors are becoming more particular in the sustainability aspects of the buildings they choose to occupy or purchase. The existence of a green premium for the more sustainable buildings is a matter of ongoing market monitoring, investigation and debate. Appropriate levels of market evidence have yet to be established to demonstrate fully whether additional value can be ascribed to such buildings. However, it should be noted that the market is evolving due to the focus from both occupiers and investors on a property's sustainability credentials. We expect that awareness of sustainability matters will increase throughout all sectors of the property market.

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.

3.3.3. Confidentiality and disclosure

Finally, and in accordance with our standard practice we confirm that our valuation reports are confidential and are addressed solely to Carmila. We accept no liability to third parties. Neither the whole reports, nor any extracts may be published in a document, declaration, memorandum or statement without our 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.

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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

Tansy Bristow
Valuation & Advisory
Catella Property Spain SA

4. FINANCIAL PERFORMANCE

4.1. Selected financial information

(in millions of euros)	First-half 2024	First-half 2023
Gross rental income	192.8	188.8
Net rental income	176.3	175.0
EBITDA (excluding fair value adjustments)[(1)]	155.1	153.2
Fair value adjustments on investment properties	(22.4)	(74.2)
Operating income	123.2	78.4
Net financial expense	(39.6)	(38.3)
Net income attributable to owners	84.5	34.9
Earnings per share[(3)]	0.60	0.24
EPRA earnings[(2)]	122.1	114.0
EPRA earnings per share[(3)]	0.86	0.79
Recurring earnings[(4)]	123.8	121.9
Recurring earnings per share[(3)]	0.87	0.85

[1] For a definition of EBITDA (excluding fair value adjustments) and the reconciliation with the closest IFRS indicator, see the "Comments on the period's activity" section.

[2] For a definition of "EPRA earnings", see the "EPRA performance indicators" section.

[3] Average number of shares: 141,868,475 at 30 June 2024 and 143,473,746 at 30 June 2023.

[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)	30 June 2024	31 Dec. 2023
Investment properties (appraisal value excluding transfer taxes)	5,518.0	5,519.0
Cash and cash equivalents and marketable securities	777.4	860.2
Financial liabilities (current and non-current)	3,062.7	3,055.1
Equity attributable to owners	3,209.0	3,287.8

Financial information related to key indicators and ratios

(in millions of euros)	30 June 2024	31 Dec. 2023
Net debt	2,212.7	2,129.9
EPRA LTV	40.1%	38.6%
EPRA LTV (incl. RETTs)	38.0%	36.6%
Interest coverage ratio (ICR)[1]	4.5x	4.7x
EPRA Net Tangible Assets (EPRA NTA)	3,346.7	3,437.9
EPRA NTA per share[2]	23.59	24.17
Appraisal value (including transfer taxes and work in progress and equity-accounted companies)	5,886.9	5,884.5

[1] Ratio of EBITDA (excluding fair value adjustments) to cost of net debt.

[2] Period end, fully diluted, on the basis of 141,868,475 shares at 30 June 2024 and 142,233,741 shares at 31 December 2023.

4.2. Financial statements

4.2.1. Consolidated statement of comprehensive income

(in thousands of euros)	First-half 2024	First-half 2023
Gross rental income	**192,800**	**188,836**
Charges rebilled to tenants	58,219	58,424
Total income from rental activity	**251,019**	**247,260**
Real estate expenses	(27,115)	(26,913)
Rental charges	(43,346)	(42,617)
Property expenses (landlord)	(4,259)	(2,779)
Net rental income	**176,299**	**174,951**
Overhead expenses	(23,043)	(23,800)
Income from property management, administration and other activities	*6,478*	*6,258*
Other income	*5,789*	*4,794*
Payroll expenses	*(15,374)*	*(14,247)*
Other external expenses	*(19,935)*	*(20,605)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(1,142)	(476)
Other operating income and expenses	(6,017)	(68)
Gains and losses on disposals of investment properties and equity investments	(1,446)	108
Change in fair value adjustments	(22,374)	(74,178)
Share in net income of equity-accounted companies	966	1,841
Operating income	**123,242**	**78,378**
Financial income	26,685	9,496
Financial expenses	(61,925)	(40,168)
Cost of net debt	**(35,240)**	**(30,672)**
Other financial income and expenses	(4,384)	(7,607)
Net financial expense	**(39,624)**	**(38,279)**
Income before taxes	**83,618**	**40,099**
Income tax benefit (expense)	1,152	(5,229)
Consolidated net income	**84,770**	**34,870**
Attributable to owners of the parent	**84,497**	**34,863**
Non-controlling interests	**273**	**7**
Average number of shares comprising Carmila's share capital	141,868,475	143,473,746
Earnings per share (attributable to owners) (in euros)	0.60	0.24
Diluted average number of shares comprising Carmila's share capital	141,868,475	143,618,393
Diluted earnings per share (attributable to owners) (in euros)	**0.60**	**0.24**

Consolidated statement of comprehensive income (in thousands of euros)	First-half 2024	First-half 2023
Consolidated net income	**84,770**	**34,870**
Items that will be reclassified subsequently to net income	17,177	(4,761)
Effective portion of cash flow hedges	17,177	(4,761)
Total comprehensive income	**101,947**	**30,109**

4.2.2. Consolidated statement of financial position

ASSETS

(in thousands of euros)	**30 June 2024**	**31 Dec. 2023**
Intangible assets	1,999	1,942
Property, plant and equipment	13,947	12,817
Investment properties carried at fair value	5,518,019	5,519,034
Investment properties carried at cost	24,420	19,905
Investments in equity-accounted companies	75,848	77,232
Other non-current assets	58,287	48,462
Deferred tax assets	5,172	6,111
Non-current assets	**5,697,693**	**5,685,504**
Trade receivables	127,409	106,598
Other current assets	85,910	78,248
Cash and cash equivalents	777,409	860,194
Current assets	**990,728**	**1,045,040**
Total assets	**6,688,421**	**6,730,544**

EQUITY AND LIABILITIES

(in thousands of euros)	30 June 2024	31 Dec. 2023
Share capital	854,646	854,646
Additional paid-in capital	1,514,131	1,646,975
Treasury shares	(9,536)	(3,162)
Other comprehensive income	38,469	20,184
Consolidated retained earnings	726,835	766,396
Consolidated net income	84,497	2,778
Equity attributable to owners	**3,209,041**	**3,287,816**
Non-controlling interests	5,561	5,443
Total equity	**3,214,602**	**3,293,259**
Non-current provisions	3,892	4,278
Non-current financial liabilities	2,477,625	2,480,639
Lease deposits and guarantees	82,489	81,118
Non-current tax and deferred tax liabilities	137,702	137,202
Other non-current liabilities	0	-
Non-current liabilities	**2,701,706**	**2,703,237**
Current financial liabilities	585,063	574,462
Bank facilities	8	13
Current provisions	-	93
Trade payables	22,078	19,403
Payables to suppliers of non-current assets	15,668	3,062
Accrued tax and payroll liabilities	65,523	49,736
Other current liabilities	83,774	87,279
Current liabilities	**772,113**	**734,048**
Total equity and liabilities	**6,688,421**	**6,730,544**

4.2.3. Consolidated statement of cash flows

(in thousands of euros)	First-half 2024	First-half 2023
Consolidated net income	**84,770**	**34,870**
Elimination of income from equity-accounted companies	(966)	(1,841)
Elimination of depreciation, amortisation and provisions	1,972	7,694
Elimination of fair value adjustments	23,735	73,401
Elimination of capital gains and losses on disposals	1,166	(108)
Other non-cash income and expenses	(2,559)	819
Cash flow from operations after cost of net debt and tax	**108,119**	**114,835**
Elimination of tax expense (income)	(1,152)	5,229
Elimination of cost of net debt	33,990	30,672
Cash flow from operations before cost of net debt and tax	**140,957**	**150,736**
Change in operating working capital	(9,377)	(12,717)
Change in lease deposits and guarantees	1,202	105
Income tax paid	(173)	815
Net cash from operating activities	**132,609**	**138,939**
Change in payables on non-current assets	12,213	(5,264)
Acquisitions of investment properties	(27,964)	(32,036)
Acquisitions of other non-current assets	(2,771)	(2,109)
Disposal of investment properties and other non-current assets	4,748	94,977
Dividends received	1,530	1,563
Net cash from (used in) investing activities	**(12,244)**	**57,131**
Net sale (purchase) of treasury shares	(6,374)	(20,020)
Issuance of bonds	-	20,950
Increase in bank loans	-	335,855
Interest paid	(51,857)	(39,809)
Interest received	25,949	9,067
Dividends and share premiums distributed to shareholders	(170,864)	(166,823)
Net cash from (used in) financing activities	**(203,145)**	**139,220**
Net change in cash and cash equivalents	**(82,780)**	**335,290**
Cash and cash equivalents at start of period	860,181	356,687
Cash and cash equivalents at end of period	777,401	691,977

4.2.4. 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	Equity attributable to owners	Non-controlling interests	Total equity
Balance at 31 December 2023	**854,646**	**1,646,975**	**(3,162)**	**20,184**	**766,396**	**2,778**	**3,287,816**	**5,443**	**3,293,259**
Treasury share transactions			(6,374)		(2,559)		**(8,933)**		**(8,933)**
Dividend paid		(132,844)			(37,864)		**(170,708)**	(156)	**(170,864)**
Appropriation of 2023 net income					2,778	(2,778)			
Net income for the period						**84,497**	**84,497**	**273**	**84,770**
Other comprehensive income reclassified to income				1,230			**1,230**		**1,230**
Change in fair value of other financial assets				15,947			**15,947**		**15,947**
Other comprehensive income				**17,177**			**17,177**		**17,177**
Other changes				1,108	(1,917)		**(808)**		**(808)**
Balance at 30 June 2024	**854,647**	**1,514,131**	**(9,536)**	**38,469**	**726,834**	**84,497**	**3,209,042**	**5,560**	**3,214,602**

4.3. Comments on the period's activity

4.3.1. Gross rental income and net rental income

Gross rental income	First-half 2024		First-half 2023
		Year-on-year change	
(in thousands of euros)	**Gross rental income**	Reported	**Gross rental income**
France	131,024	2.6%	127,718
Spain	49,196	0.5%	48,937
Italy	12,579	3.3%	12,180
Total	**192,800**	**2.1%**	**188,836**

Net rental income	First-half 2024			First-half 2023
		Year-on-year change		
(in thousands of euros)	**Net rental income**	Like for like	Reported	**Net rental income**
France	119,581	2.7%	0.0%	119,580
Spain	44,880	5.5%	2.3%	43,877
Italy	11,837	3.0%	3.0%	11,494
Total	**176,299**	**3.4%**	**0.8%**	**174,951**

Net rental income totalled €176.3 million, up €1.3 million, or 0.8%, in first-half 2024. This increase is attributable to the factors described below.

- The impact of disposals was a negative €3.0 million or 1.7% (sale of the Tarnos, Montélimar and Torcy Bay 1 assets in France and four assets in Andalusia, Spain).
- Organic like-for-like growth as adjusted for these impacts came out at €6.0 million, or 3.4%. The share of indexation included in growth at constant scope is a positive 3.4%.
- Other impacts decreased net rental income by €1.6 million, or 0.9%, including the impact of non-recurring income on rent collected during 2023 in respect of previous years, which did not recur in first-half 2024.

4.3.2. Rent collection

	First-half 2024		
	Q1 2024	Q2 2024	**H1 2024**
Gross collection rate (total amount invoiced)	96.2%	97.4%	**96.8%**

4.3.3. Overhead expenses

Overhead expenses *(in thousands of euros)*	**First-half 2024**	**First-half 2023**
Income from property management, administration and other activities	6,478	6,258
Other income from services	5,789	4,794
Payroll expenses	(15,374)	(14,247)
Other external expenses	(19,935)	(20,605)
Overhead expenses	**(23,043)**	**(23,800)**

Overhead expenses fell by 3.2% year on year.

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

This item totalled €6.5 million in first-half 2024, an increase of €0.2 million or 3.5% compared to the same year-ago period. The increase mainly reflects the rise in rebilled shopping centre management costs.

The "Income from property management, administration and other activities" caption is made up of rebilled centre management services, management fees for services provided to third parties and leasing fees.

Other income from services

"Other income from services" includes marketing services rebilled to retailers' associations and property managers, which were up €1.0 million year on year.

Payroll expenses

Payroll expenses amounted to €15.4 million in first-half 2024, a €1.1 million (7.9%) rise on first-half 2023, mainly reflecting annual wage increases (2.5%), the rise in the average number of employees (up 2.5%) and a contractual severance payment of €0.4 million (2.7%).

Other external expenses

Other external expenses represented €19.9 million in first-half 2024, a year-on-year decrease of €0.7 million, or 3.2%. The slight decrease in this item reflects the Group's strong cost discipline.

Excluding payroll expenses, overhead expenses were down by €1.9 million thanks to savings on other external expenses and an increase in rebilled marketing services.

4.3.4. Other operating income and expenses

Other operating income and expenses chiefly comprise Galimmo acquisition costs for €6.1 million.

4.3.5. EBITDA

(in thousands of euros)	First-half 2024	First-half 2023
Operating income	**123,242**	**78,378**
Elimination of change in fair value	22,360	74,178
Elimination of attributable change in fair value of equity-accounted companies	910	160
Elimination of capital (gains)/losses	1,166	(108)
Depreciation and amortisation of property and equipment and intangible assets	1,156	637
Adjustments for non-recurring items*	6,297	(93)
EBITDA	**155,132**	**153,152**

* Adjustments for non-recurring items chiefly comprise Galimmo acquisition costs.

EBITDA came in at €155.1 million in the first half of 2024, a year-on-year increase of 1.3%. EBITDA growth came out higher than the increase in net rental income, testifying to Carmila's sound management of overheads.

4.3.6. Net financial expense

(in thousands of euros)	First-half 2024	First-half 2023
Financial income	26 685	9 496
Financial expenses	(61 925)	(40 168)
Cost of net debt	**(35 240)**	**(30 672)**
Other financial income and expenses	(4 384)	(7 607)
Net financial expense	**(39 624)**	**(38 279)**

Cost of net debt

The €4.6 million increase in the cost of net debt mainly results from the €21.8 million rise in financial expenses, partly offset by a €17.2 million rise in financial income.

The change in financial expenses mainly reflects:

- the €10.0 million increase in interest on bonds related to the subscription of a new bond issue in October 2023;
- the €8.5 million increase in interest expense on bank loans due to higher interest rates and the full half-year effect of the secured loans contracted in April 2023.

The rise in financial expenses was partly offset by the increase in financial income, attributable to the following:

- a €12.8 million increase in income from cash investments owing to a large cash balance invested on favourable terms;
- an increase of €8.4 million in interest income on hedging instruments.

Other financial income and expenses

Other financial income and expenses represented €4.4 million, down €3.2 million over the period, attributable to the factors described below:

- a negative €0.9 million in changes in the value of financial instruments including an expense of €0.7 million related to changes in credit risk and €0.1 million related to changes in the value of a swap not eligible for hedge accounting and treated as a fair value hedge;
- a €4.1 million year-on-year decrease in impairment of receivables related to non-consolidated equity investments.

4.4. EPRA performance indicators

4.4.1. EPRA summary table

	First-half 2024	Full-year 2023	First-half 2023
EPRA earnings (in millions of euros)	122.1	226.5	114.0
EPRA earnings per share (in euros)	0.86	1.59	0.79
EPRA NRV (in thousands of euros)	3,599,726	3,690,261	3,721,282
EPRA NRV per share (in euros)	25.37	25.95	26.16
EPRA NTA (in thousands of euros)	3,346,688	3,437,928	3,464,249
EPRA NTA per share (in euros)	23.59	24.17	24.35
EPRA NDV (in thousands of euros)	3,314,688	3,384,613	3,525,887
EPRA NDV per share (in euros)	23.36	23.80	24.78
EPRA NIY (shopping centres)	6.4%	6.3%	6.0%
EPRA Topped-up NIY (shopping centres)	6.5%	6.5%	6.3%
EPRA Vacancy Rate	5.2%	5.1%	5.5%
EPRA Cost Ratios (including direct vacancy costs)	20.4%	21.3%	20.0%
EPRA Cost Ratios (excluding direct vacancy costs)	15.9%	18.0%	17.0%
EPRA LTV	40.1%	38.6%	39.2%
EPRA LTV (incl. RETTs)	38.0%	36.6%	37.3%

4.4.2. EPRA earnings and recurring earnings

(in thousands of euros)	First-half 2024	First-half 2023
Net income attributable to owners	**84 497**	**34 863**
Adjustments to calculate EPRA earnings	**37 555**	**79 105**
(i) Changes in value of investment properties, development properties held for investment and other interests	25 659	74 178
(ii) Gains and losses on disposals of investment properties	1 166	(108)
(iii) Gains and losses on disposals of trading properties	-	-
(iv) Tax on disposal gains and losses	(507)	6 514
(v) Negative goodwill/goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	3 841	706
(vii) Acquisition costs for share deal acquisitions	6 061	-
(viii) Deferred tax in respect of EPRA adjustments	(897)	(2 352)
(ix) Adjustments (i) to (iv) in respect of joint ventures (unless already included under proportional consolidation)	1 958	160
(x) Non-controlling interests in respect of the above	273	7
EPRA earnings	**122 051**	**113 968**
Year-on-year change	***+7,1%***	
Average number of shares	141 868 475	143 473 746
EPRA earnings per share	**0,86**	**0,79**
Year-on-year change	***+8,0%***	
Number of fully diluted shares	141 868 475	143 618 393
Diluted EPRA earnings per share	**0,86**	**0,79**
Other adjustments	**1 782**	**7 932**
Other non-recurring expenses or (income)(1)	1 782	7 932
Recurring earnings	**123 833**	**121 900**
Year-on-year change	***+1,6%***	
Recurring earnings per share	**0,87**	**0,85**
Year-on-year change	***+2,4%***	

Comments on other adjustments:

(1) Other non-recurring expenses mainly comprise depreciation and amortisation expenses and movements in provisions for contingencies and charges.

4.4.3. EPRA Cost Ratio

(in millions of euros)		First-half 2024	First-half 2023
(i)	Operating costs	39.2	37.6
	Overhead expenses	*34.9*	*34.9*
	Property expenses	*4.3*	*2.8*
(ii)	Net service charge costs/fees	12.2	11.1
(iii)	Management fees less profit element	(6.5)	(6.3)
(iv)	Other operating recharges intended to cover overhead expenses	(5.8)	(4.8)
(v)	Share of costs of equity-accounted companies	0.9	0.7
(vi)	Impairment of investment properties and provisions included in property expenses	0.0	0.0
(vii)	Ground rent costs	0.0	0.0
(vii)	Service charge costs recovered through rents	0.0	0.0
	EPRA costs (including direct vacancy costs)	**40.1**	**38.3**
(viii)	Direct vacancy costs	8.9	5.7
	EPRA costs (excluding direct vacancy costs) (A)	**31.2**	**32.7**
(ix)	Gross rental income less ground rents	192.8	188.8
(x)	Less: service fee and service charge costs components of gross rental income	0.0	0.0
(xi)	Plus: share of Joint Ventures (gross rental income less ground rents)	3.5	3.3
	Gross rental income (B)	**196.3**	**192.1**
	EPRA cost ratio (including direct vacancy costs)	**20.4%**	**20.0%**
	EPRA cost ratio (excluding direct vacancy costs)	**15.9%**	**17.0%**

Overhead expenses include other external expenses and payroll expenses.

4.4.4. EPRA NRV, EPRA NTA and EPRA NDV

EPRA NAV indicators at 30 June 2024

(in thousands of euros)		EPRA NRV	EPRA NTA	EPRA NDV
	IFRS equity attributable to owners	**3,209,041**	**3,209,041**	**3,209,041**
Include/Exclude:*				
(i)	Hybrid instruments			
	Diluted NAV	**3,209,041**	**3,209,041**	**3,209,041**
Include:*				
(ii.a)	Revaluation of investment property (if IAS 40 cost option is used)			
(ii.b)	Revaluation of IPUC[1] (if IAS 40 cost option is used)			
(ii.c)	Revaluation of other non-current investments[2]			
(iii)	Revaluation of tenant leases held as finance leases[3]			
(iv)	Revaluation of trading properties[4]			
	Diluted NAV at fair value	**3,209,041**	**3,209,041**	**3,209,041**
Exclude:*				
(v)	Deferred tax in relation to fair value gains of investment property[5]	137,702	137,702	
(vi)	Fair value of financial instruments	(49,162)	(49,162)	
(vii)	Goodwill as a result of deferred tax			
(viii.a)	Goodwill as per the IFRS balance sheet			
(viii.b)	Intangible assets as per the IFRS balance sheet		(1,999)	
Include:*				
(ix)	Fair value of fixed-rate debt			105,647
(x)	Revaluation of intangible assets at fair value			
(xi)	Transfer taxes	302,145	51,107	
	NAV	**3,599,726**	**3,346,688**	**3,314,688**
	Fully diluted number of shares	141,868,475	141,868,475	141,868,475
	NAV per share	**25.37**	**23.59**	**23.36**

[1] Difference between development property held on the balance sheet 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 balance sheet at amortised cost and the fair value of those finance lease receivables.
[4] Difference between trading properties held on the balance sheet 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 2023

(in thousands of euros)		EPRA NRV	EPRA NTA	EPRA NDV
	IFRS equity attributable to owners	**3,287,816**	**3,287,816**	**3,287,816**
Include/Exclude:*				
(i)	Hybrid instruments			
	Diluted NAV	**3,287,816**	**3,287,816**	**3,287,816**
Include:*				
(ii.a)	Revaluation of investment property (if IAS 40 cost option is used)			
(ii.b)	Revaluation of IPUC[1] (if IAS 40 cost option is used)			
(ii.c)	Revaluation of other non-current investments[2]			
(iii)	Revaluation of tenant leases held as finance leases[3]			
(iv)	Revaluation of trading properties[4]			
	Diluted NAV at fair value	**3,287,816**	**3,287,816**	**3,287,816**
Exclude:*				
(v)	Deferred tax in relation to fair value gains of investment property[5]	137,202	137,202	
(vi)	Fair value of financial instruments	(36,902)	(36,902)	
(vii)	Goodwill as a result of deferred tax			
(viii.a)	Goodwill as per the IFRS balance sheet			
(viii.b)	Intangible assets as per the IFRS balance sheet		(1,942)	
Include:*				
(ix)	Fair value of fixed-rate debt			96,797
(x)	Revaluation of intangible assets at fair value			
(xi)	Transfer taxes	302,145	51,754	
	NAV	**3,690,261**	**3,437,928**	**3,384,613**
	Fully diluted number of shares	142,233,741	142,233,741	142,233,741
	NAV per share	**25.95**	**24.17**	**23.80**

[1] Difference between development property held on the balance sheet 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 balance sheet at amortised cost and the fair value of those finance lease re
[4] Difference between trading properties held on the balance sheet 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.

4.4.5. EPRA LTV

EPRA LTV indicators at 30 June 2024

(in thousands of euros)		Proportionate consolidation			
EPRA LTV	**Group EPRA LTV**	**Share of JVs[1]**	**Share of significant investments[2]**	**Share of non-controlled entities**	**Combined EPRA LTV 30 June 2024**
Included:					
Bank loans	826,000		14,738		840,738
Commercial paper	0				0
Hybrid instruments (including convertible bonds, preference shares, debt, options)	0				0
Bonds	2,164,100				2,164,100
Foreign exchange derivatives (swaps/options)	0				0
Net debt	33,101	1,263			34,364
Owner-occupied assets (debt)	0				0
Current accounts with partners	0				0
Excluded:					
Cash and cash equivalents	777,409	955	801		779,166
Net debt (a)	**2,245,792**	**307**	**13,936**	**0**	**2,260,035**
Included:					
Owner-occupied assets	0				0
Investment properties carried at fair value (excluding transfer taxes)	5,518,019	62,750	29,220		5,609,989
Assets held for sale	0				0
Assets under construction	24,420				24,420
Intangible assets	1,999				1,999
Net receivables	0		711		711
Financial assets	4,973				4,973
Total value of assets excluding transfer taxes (b)	**5,549,411**	**62,750**	**29,931**	**0**	**5,642,092**
EPRA LTV (a/b)	**40.5%**				**40.1%**
Total value of assets including transfer taxes (c)	**5,851,465**	**64,256**	**31,240**		**5,947,671**
EPRA LTV (including RETTS) (a/c)	**38.4%**				**38.0%**

[1] As Cancelas

[2] Magnirayas

EPRA LTV indicators at 31 December 2023

(in thousands of euros)		Proportionate consolidation			
EPRA LTV	**Group EPRA LTV**	**Share of JVs[1]**	**Share of significant investments[2]**	**Share of non-controlled entities**	**Combined EPRA LTV 31 Dec. 2023**
Included:					
Bank loans	826,000		14,813		840,813
Commercial paper	0				0
Hybrid instruments (including convertible bonds, preference shares, debt, options)	0				0
Bonds	2,164,100				2,164,100
Foreign exchange derivatives (swaps/options)	0				0
Net debt	21,393	924			22,979
Owner-occupied assets (debt)	0				0
Current accounts with partners	0				0
Excluded:					
Cash and cash equivalents	860,194	594	871		862,320
Net debt (a)	**2,151,299**	**331**	**13,942**	**0**	**2,165,572**
Included:					
Owner-occupied assets	0				0
Investment properties carried at fair value (excluding transfer taxes)	5,519,034	63,750	29,574		5,612,358
Assets held for sale	0				0
Assets under construction	0				0
Intangible assets	0				0
Net receivables	0		218		218
Financial assets	0				0
Total value of assets excluding transfer taxes (b)	**5,519,034**	**63,750**	**29,792**	**0**	**5,612,576**
EPRA LTV (a/b)					**38.6%**
Total value of assets including transfer taxes (c)	**5,821,226**	**65,918**	**31,634**		**5,918,778**
EPRA LTV (including RETTS) (a/c)					**36.6%**

[1] As Cancelas

[2] Magnirayas

4.4.6. EPRA vacancy rate

	France	Spain	Italy	Total
Rental value of vacant space (€m)	12.3	9.6	0.6	22.5
Rental value of property portfolio (€m)	281.4	122.3	26.4	430.0
EPRA vacancy rate	**4.4%**	**7.9%**	**2.2%**	**5.2%**
Impact of strategic vacancies	0.5%	3.0%	0.7%	1.2%
Financial vacancy rate	**3.9%**	**4.9%**	**1.5%**	**4.0%**

The EPRA vacancy rate at 30 June 2024 was 5.2%, an increase of 12 basis points compared to end-2023.

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 premises vacated in order to implement renovation, extension, or restructuring projects in shopping centres.

4.4.7. EPRA net initial yields: EPRA NIY and EPRA topped-up NIY

(in millions of euros)	30 June 2024	31 Dec. 2023
Total property portfolio valuation (excluding transfer taxes)	**5,509.6**	**5,505.2**
(-) Assets under development and other	24.4	19.6
Completed property portfolio valuation (excluding transfer taxes)	**5,485.2**	**5,485.6**
Transfer taxes	302.1	302.1
Completed property portfolio valuation (including transfer taxes) (A)*	**5,787.3**	**5,787.8**
Annualised net rents (B)	**367.7**	**364.6**
Impact of rent-free periods	10.9	13.9
Topped-up net annualised rents (C)	**378.6**	**378.6**
EPRA Net Initial Yield (B)/(A)	**6.35%**	**6.30%**
EPRA Topped-up Net Initial Yield (C)/(A)	**6.54%**	**6.54%**

4.4.8. 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.

	France		Spain		Italy		TOTAL	
(in thousands of euros)	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023
Acquisitions	5,597	224	661	1,826	0	0	6,258	2,050
Developments	1,399	-	-	-	-	-	1,399	-
Like-for-like capital expenditure	14,914	23,780	5,364	5,480	29	727	20,307	29,987
Extensions	630	2,920	0	0	0	383	630	3,303
Restructuring	6,869	5,279	0	0	0	0	6,869	5,279
Lease incentives	1,538	1,439	1,114	871	0	0	2,652	2,310
Renovations	337	4,449	2,870	4,609	0	0	3,207	9,058
Maintenance capex	5,540	9,693	1,380	0	29	344	6,949	10,037
Total capital expenditure	**21,910**	**24,004**	**6,025**	**7,306**	**29**	**727**	**27,964**	**32,037**

The “Acquisitions” caption mainly relates to the acquisition of units in France (Auchy-les-Mines for €1.9 million, Bourg-en-Bresse for €1.6 million, Epinal for €1.2 million) and easement rights for the operation of antennas in Spain (€0.7 million).

"Developments" concern investments in the construction of 5G antenna towers in France.

“Restructuring” concerns a number of projects including the shopping centres at Labège (€2.9 million), as part of the Zara restructuring, and Orléans (€1.0 million), as part of the restructuring of the cinema.

“Renovations” mainly concern assets in the process of being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. This caption includes numerous operations in France and Spain, the most significant of which are Santander (€0.9 million), Gran Via (€0.6 million), El Paseo (€0.5 million) and Manresa (€0.5 million).

Lastly, “Maintenance capex” includes several projects, the largest of which are Antibes (€0.8 million), Calais Coquelles (€0.4 million) and Sannois (€0.4 million). In addition, this item comprises investments designed to meet Carmila's commitments to reduce greenhouse gas emissions. Like-for-like capital expenditure also includes rent relief granted to tenants.

5. FINANCING POLICY

5.1. Financial resources

Bonds

Carmila has seven bonds, issued in 2016, 2018, 2019, 2020, 2021 and 2023, for a total amount outstanding of €2,164 million. These bonds are redeemable at maturity, falling between 2024 and 2031.

Issue premiums and costs represented €12,145 thousand and are being amortised over the residual term of the underlying debt.

Bank borrowings

On 21 July 2022, Carmila signed a €550 million term loan. The loan matures in 2027, with two extension options of one year each. On 25 June 2024, Carmila exercised its second option to extend this loan by one year, obtaining the agreement of all the lending banks to extend its maturity to 20 July 2029. The loan pays interest at 3-month Euribor plus 180 basis points.

This credit facility also includes two sustainability criteria designed to support Carmila’s strategy to achieve a 90% cut in its greenhouse gas emissions by 2030 and BREEAM certification for its entire asset portfolio by 2025.

No specific guarantee has been granted in the context of this loan agreement, which is conditional on compliance with the same covenants as Carmila's other bank loans, i.e., a ratio of consolidated net debt to fair value of assets of 0.55, a ratio of EBITDA to net cost of debt of 2.0 and value of investment property equal to or greater than €2.5 billion.

On 17 April 2023, Carmila signed a €276 million secured loan maturing in 2030. This new credit facility took the form of a loan contracted by four subsidiaries of Carmila France (Carmila Nice, Carmila Evreux, Carmila Saran and Carmila Coquelles), and is secured by their assets.

Loan-to-value ratio (LTV)

The EPRA LTV ratio including RETTS was 38.0% at 30 June 2024, up 141 basis points on end-December 2023. Carmila is committed to maintaining a strong statement of financial position and aims to hold a level of debt compatible with its BBB (stable outlook) financial rating from S&P.

Carmila is targeting an LTV ratio of less than 40% (including transfer taxes) over 2024-2026.

Compliance with covenants at 30 June 2024

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 30 June 2024, 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 (30 June and 31 December).

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 4.5 years at 30 June 2024[1] (4.8 years at 31 December 2023).

INTEREST COVERAGE RATIO

(in thousands of euros)		**30 June 2024**	**31 Dec. 2023**
EBITDA (12 months)	**(A)**	**294,349**	**292,369**
Cost of net debt	**(B)**	**65,869**	**62,172**
Interest coverage ratio	**(A)/(B)**	**4.5**	**4.7**

NET DEBT/EBITDA

(in thousands of euros)		**30 June 2024**	**31 Dec. 2023**
Net debt	**(A)**	**2,212,699**	**2,129,906**
EBITDA (12 months)	**(B)**	**294,349**	292,369
Net debt/EBITDA (12 months)	**(A)/(B)**	**7.5**	**7.3**

Net debt does not include issuance costs for bonds and other debt, current and non-current derivative instruments with a negative fair value, or IFRS 16 financial liabilities.

Other financing

Carmila strives to diversify its sources of financing and their maturities, and has set up short- (NEU CP) and medium-term (NEU MTN) commercial paper programmes for a maximum amount of €540 million, registered with Banque de France on 29 June 2017 and updated every year. The amount outstanding at end-June 2024 was nil.

[1] Excluding the bond maturing in September 2024, covered by Carmila's cash position at the end-June 2024.

Revolving credit facility

Carmila also arranged a revolving credit facility for €540 million, maturing in October 2028. This facility includes two sustainability criteria designed to support Carmila's strategy to achieve a 90% cut in its greenhouse gas emissions by 2030 and BREEAM certification for its entire asset portfolio by 2025.

No drawdowns were made by Carmila on the revolving credit facility during the period.

Breakdown of financial liabilities by maturity and average interest rate

(in thousands of euros)	Gross amount	Starting date	Lease maturity
Bond issue II – Notional amount €588m, coupon 2.375%	539,100	24/03/2016	16/09/2024
Bond issue IV- Notional amount €300m, coupon 1.625%	300,000	30/11/2020	30/05/2027
Bond issue III – Notional amount €350m, coupon 2.125%	350,000	07/03/2018	07/03/2028
Bond issue VI – Notional amount €500m, coupon 5.5%	500,000	09/10/2023	09/10/2028
Bond issue V- Notional amount €300m, coupon 1.625%	325,000	01/04/2021	01/04/2029
Private placement II – Notional amount €100m, coupon 3.0%	100,000	26/06/2020	26/06/2029
Private placement I – Notional amount €50m, coupon 1.89%	50,000	06/11/2019	06/11/2031
Loan agreement, 3-month Euribor +1.77%	550,000	21/07/2022	20/07/2029
Secured loans, 3-month Euribor +1.75%	276,000	17/04/2023	17/04/2030
Commercial paper	-	21/10/2021	21/10/2028
Total	**2,990,100**		

At 30 June 2024, Carmila's debt had an average maturity of 4.5 years and an average interest rate of 2.8%, taking account of hedging instruments (excluding amortisation of issuance costs and premiums, cancellation expenses for capitalised financial instruments and commitment fees for undrawn credit lines).

5.2. 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 derivative instruments, such as interest rate swaps and options which are eligible for hedge accounting.

In order to optimise its hedging, on 16 January 2024, Carmila entered into a swaption collar (starting in 2026, maturing in 2034), with a nominal amount of €50 million.

At 30 June 2024, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- eight fixed-rate payer swaps at 3-month Euribor for a notional amount of €585 million, with the swap covering the longest term expiring in December 2032;
- one cap for a notional amount of €100 million maturing in 2026;
- five swaption collars for a notional amount of €250 million, with the longest term covered expiring in January 2034;
- one collar (cap and floor) for a notional amount of €75 million maturing in 2031;
- one floating-rate payer swap at 3-month Euribor for a notional amount of €160 million maturing in 2028;
- four receiver swaptions for a nominal amount of €325 million maturing in 2035.

The floating-rate payer swap is accounted for as a fair value hedge, with changes in fair value recognised in income. The other hedging instruments (excluding the receiver swaptions) 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 89% of gross debt at 30 June 2024, including the seven swaps and two caps in place at end-June 2024.

5.3. Cash

(in thousands of euros)	**30 juin 2024**	**31 déc. 2023**
Cash	170 129	155 914
Cash equivalents	607 280	704 280
Cash and cash equivalents	**777 409**	**860 194**
Bank facilities	(8)	(13)
Net cash	**777 401**	**860 181**

Cash equivalents consist of certificates of deposit (€405 million) and term accounts and deposits (€202 million) bearing interest and maturing in less than three months, with Carmila's leading banking partners.

5.4. Rating

On 16 November 2023, S&P confirmed Carmila’s BBB rating with a “stable” outlook.

5.5. 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 issue 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 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.

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.

5.6. Equity and share ownership

(in thousands of euros)	Number of shares	Share capital	Issue premium	Merger premium
At 1 January 2024	**142,441,073**	854,646	540,215	1,106,759
Dividend – GM of 24 April 2024	-			(132,844)
At 30 June 2024	**142,441,073**	**854,646**	**540,215**	**973,915**

At 30 June 2024, the share capital was made up of 142,441,073 A shares, each with a par value of six euros (€6), fully subscribed and paid up.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 24 April 2024 approved the dividend of €1.20 per share for 2023, representing a total payout of €170,708 thousand, deducted from distributable earnings for €37,864 thousand and from the merger premium for €132,844 thousand. This amount was paid in full in cash.

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

Carmila's share capital is held by several of its long-term shareholders. At 30 June 2024, its largest shareholder is the Carrefour group, which holds 36.4% of Carmila's share capital and includes Carmila in its financial statements using the equity method. The remaining 63.6% of the share capital is mainly owned by long-term investors from major insurance companies or blue-chip financial players, including Predica (9.9% of Carmila's share capital), Cardif Assurance Vie (9.1%) and Sogecap (6.1%).

6. RISK FACTORS

In the first six months of 2024, there have been no material changes to the risk factors set out in Section 3. "Organisation and risk management" in the Universal Registration Document filed with the AMF (*Autorité des marchés financiers*) on 15 March 2024. The 2023 Universal Registration Document is available on the Company's website: https://www.carmila.com/wp-content/uploads/2024/03/CARMILA_DEU_2023_UK.pdf

Carmila has not identified any significant specific risks relating to the integration of Galimmo.

7. APPENDIX

7.1. Detailed presentation of Carmila's operating asset base at 30 June 2024

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area (sq.m.)
France					
Aix en Provence	1971	2014	2015	39	5,718
Amiens	1973	2014	2014	19	4,974
Angers - Saint Serge	1969	2014	2015	28	7,193
Angoulins	1973	2014	2015	38	6,380
Annecy Brogny	1968	2014	2015	22	4,934
Antibes	1973	2014	2014	33	5,194
Athis Mons	1971	2014	2014	49	10,173
Auch	1976	2014	2014	13	928
Auchy-les-Mines	1993	2014	2015	27	2,748
Auterive	2011	2014	-	19	6,674
Bab 2 – Anglet	1967	2014	2017	128	28,860
Barentin	1973	2016	-	17	7,761
Bassens (Chambéry)	1969	2014	2014	20	2,758
Bay 2	2003	2014	-	104	20,952
Bayeux Besneville	1974	2014	2014	9	597
Beaucaire	1989	2014	2015	29	6,882
Beaurains 2	2011	2014	-	10	4,373
Beauvais	1969	2014	2016	18	4,049
Berck-sur-Mer	1995	2014	2014	30	11,232
Besançon - Chalezeule	1976	2014	2018	32	16,989
Bourg-en-Bresse	1977	2014	2019	23	6,176
Bourges	1969	2014	2016	51	8,983
Brest Hyper	1969	2014	2014	49	18,389
Calais – Beau Marais	1973	2014	2015	21	5,249
Calais-Coquelles	1995	2014	2019	161	54,887
Chambourcy	1973	2014	2015	75	21,371
Champs-sur-Marne	1967	2014	2014	17	1,725
Charleville-Mézières	1985	2014	2014	24	2,880
Château Thierry	1972	2014	2015	9	669
Châteauneuf-les-Martigues	1973	2014	2016	21	11,535
Châteauroux	1969	2014	2014	24	4,647
Cholet	1970	2014	2014	34	6,233
Condé-sur-L'Escaut	1987	2014	2015	6	534
Conde-sur-Sarthe	1972	2014	2014	32	8,650
Crèches sur Saone	1981	2014	2015	60	19,312
Denain	1979	2014	2016	7	617
Dinan Quevert	1970	2016	-	19	3,368
Douai Flers	1983	2014	2015	48	7,450
Draguignan	1992	2014	2017	24	4,842
Échirolles (Grenoble)	1969	2014	2014	30	4,852
Épernay	1970	2014	2016	10	1,064
Épinal	1983	2014	2016	24	17,447
Étampes	1983	2014	2015	3	875
Évreux	1974	2014	2017	77	37,842
Feurs	1981	2014	2019	6	1,031
Flers Saint-Georges-des-Groseillers	1998	2016	-	14	1,888
Flins-sur-Seine	1973	2014	2014	22	6,620
Fourmies	1985	2014	2016	14	1,905
Francheville	1989	2014	2015	22	3,478

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area (sq.m.)
Gennevilliers	1976	2014	2015	18	2,432
Goussainville	1989	2014	2015	24	3,485
Gruchet	1974	2014	2015	29	11,837
Gueret	1987	2014	2019	14	3,418
Hazebrouck	1983	2014	2014	13	1,306
Herouville St Clair	1976	2014	2016	49	14,204
La Chapelle St Luc	2012	2014	2015	44	21,866
La Ciotat	1998	2014	2015	12	627
La Roche Sur Yon	1973	2014	2015	14	1,377
Laon	1990	2014	2015	39	8,045
Laval	1986	2014	-	46	7,716
Le Mans	1968	2014	2014	22	1,938
L'Haÿ-les-Roses	1981	2014	2016	12	726
Libourne	1973	2014	2014	26	4,580
Liévin	1973	2014	2014	22	3,293
Limay	1998	2014	-	9	329
Lorient	1981	2014	2014	34	12,451
Mably	1972	2014	2017	30	31,756
Mondeville	1995	2014	-	5	2,311
Montereau	1970	2014	2015	7	911
Montesson	1970	2014	-	67	13,288
Montluçon	1988	2015	2016	37	4,438
Nantes Beaujoire	1972	2014	2015	35	4,671
Nanteuil-lès-Meaux (GM)	2014	2015	-	8	827
Nevers-Marzy	1969	2014	2016	62	21,367
Nice-Lingostière	1978	2014	2014	101	21,110
Nîmes Sud	1969	2014	2015	18	2,962
Orange	1988	2014	2014	37	5,510
Orléans Place d'Arc	1988	2014	2018	64	13,598
Ormesson	1972	2015	2018	116	29,565
Paimpol	1964	2014	2016	14	1,612
Pau Lescar	1973	2014	2017	77	12,089
Perpignan Claira	1983	2014	2015	80	21,168
Port de Bouc	1973	2014	2015	23	7,096
Pré-Saint-Gervais	1979	2016	-	19	1,670
Puget-sur-Argens	1991	2015	2017	52	5,754
Quetigny	2014	2014	-	5	7,365
Quimper-Le Kerdrezec	1978	2014	2016	37	8,900
Reims-Cernay	1981	2014	2016	21	3,520
Rennes Cesson	1981	2014	2014	76	13,453
Rethel	1994	2016	2017	16	3,412
Saint-Jean-de-Luz	1982	2014	2017	18	2,710
Saint-Lô	1973	2016	2016	10	1,079
Saint-Martin-au-Laërt	1991	2014	2016	9	858
Salaise sur Sanne	1991	2014	2014	44	7,212
Sallanches	1973	2014	2016	11	2,559
Sannois	1992	2015	2015	29	4,170
Saran-Orléans	1971	2014	2017	91	39,120
Sartrouville	1977	2014	2014	39	6,750
Segny	1980	2014	2017	17	2,213

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area (sq.m.)
Sens Maillot	1970	2014	2016	9	1,848
Sens Voulx	1972	2014	2016	9	603
St André Les Vergers	1975	2014	2016	9	1,112
St Brieuc - Langueux	1969	2014	2017	53	14,984
St Egrève	1986	2014	2014	36	9,365
Stains	1972	2014	-	23	2,888
Thionville	1971	2016	-	170	32,304
Tinqueux	1969	2014	2015	27	6,019
Toulouse Labège	1983	2014	-	129	24,327
Toulouse Purpan	1970	2014	2015	49	17,102
Tournefeuille	1995	2014	-	20	5,734
Trans-en-Provence	1976	2014	2016	28	4,058
Uzès	1989	2014	2015	15	1,431
Vannes - Le Fourchêne	1969	2014	2014	72	9,672
Vaulx-en-Velin	1988	2014	2016	41	6,732
Venette	1974	2014	2015	40	6,846
Venissieux	1966	2014	2016	23	4,427
Villejuif	1988	2014	2015	32	4,188
Vitrolles	1971	2018	-	83	24,998
Spain					
Albacete – Los Llanos	1989	2014	-	18	7,658
Alcala de Henares	2007	2014	2016	20	1,667
Alcobendas	1981	2014	2016	43	3,515
Alfafar	1976	2014	2015	31	7,175
Aljarafe	1998	2018	-	46	12,135
Almería	1987	2014	2014	20	1,011
Alzira	1991	2014	2017	19	7,712
Antequera	2004	2018	2017	54	13,416
Azabache	1977	2014	2016	31	5,990
Cabrera de Mar	1979	2014	2014	26	14,240
Caceres	1998	2014	2015	12	1,559
Cartagena	1998	2014	2016	14	1,097
Castellón	1985	2014	2015	21	2,161
Ciudad de la Imagen	1995	2014	2016	22	2,011
Córdoba - Zahira	1977	2014	2019	14	957
Dos Hermanas (Seville)	1993	2014	2017	17	1,411
El Alisal	2004	2014	2016	33	15,161
El Mirador	1997	2016	-	37	9,862
El Paseo	1977	2018	-	54	10,411
El Pinar	1981	2014	2014	32	4,360
Elche	1983	2014	2015	19	10,152
Fan Mallorca	2016	2016	2016	105	38,120
Finestrat - Benidorm	1989	2014	2016	22	2,311
Gandía	1994	2014	2015	20	2,073
Gran Via de Hortaleza	1992	2018	-	65	6,154
Granada	1999	2014	2015	25	2,692
Huelva	2013	2014	2013	90	33,376
Jerez de la Frontera – Norte	1997	2014	2017	42	6,899
Jerez de la Frontera, Cádiz – Sur	1989	2014	2016	32	7,013
La Granadilla	1990	2014	2014	13	1,029
La Sierra	1994	2018	-	65	17,611
Leon	1990	2014	2016	16	2,473
Lérida	1986	2014	2014	11	512
Los Angeles	1992	2014	2016	35	6,772

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area (sq.m.)
Lucena	2002	2014	2016	13	1,394
Lugo	1993	2014	2017	16	2,020
Málaga – Rosaleda	1993	2022	-	69	15,629
Manresa	1991	2018	-	30	3,238
Merida	1992	2014	2017	18	2,601
Montigala	1991	2016	2018	54	10,668
Mostoles	1992	2014	2016	21	3,316
Murcia - Atalayas	1993	2016	-	44	11,296
Murcia - Zaraiche	1985	2014	2014	23	2,573
Oiartzun	1979	2014	2014	11	729
Orense	1995	2014	2016	17	4,131
Palma	1977	2014	2014	20	579
Paterna	1979	2014	2016	18	1,679
Peñacastillo	1992	2014	2014	50	8,810
Petrer	1991	2014	2016	27	4,067
Plasencia	1998	2014	-	12	1,299
Pontevedra	1995	2014	2014	15	1,681
Reus	1991	2014	2014	22	2,932
Rivas	1997	2014	2016	20	2,158
Sagunto	1989	2014	-	11	954
Salamanca	1989	2014	2016	7	801
San Juan	1977	2018	-	25	6,741
San Juan de Aznalfarache, Seville	1985	2014	2015	34	4,999
San Sebastián de los Reyes	2004	2014	2016	19	2,336
Sestao	1994	2014	2016	16	1,317
Sevilla - Macarena	1993	2014	2016	23	1,882
Sevilla - Montequinto	1999	2014	2016	13	9,995
Sevilla – San Pablo	1979	2014	2014	28	3,273
Talavera – Los Alfares	2005	2014	2016	54	20,482
Tarragona	1975	2014	2017	18	3,445
Tarrasa	1978	2018	-	36	7,502
Torrelavega	1996	2014	2016	15	2,155
Torrevieja	1994	2014	2014	17	1,804
Valencia - Campanar	1988	2014	2016	29	3,099
Valladolid	1981	2014	2017	21	4,144
Valladolid II	1995	2014	2017	12	3,483
Valverde Badajoz	1996	2014	2015	19	3,081
Villanueva	1995	2014	2016	9	692
Villareal de los Infantes	1995	2014	2016	13	939
Zaragoza	1989	2014	2015	17	4,253
As Cancelas (50% interest, equity accounted)	2012	2014	2012	112	50,260
Italy					
Assago	1988	2015	2019	2	2,380
Burolo	1996	2014	2016	10	946
Gran Giussano	1997	2014	2016	49	9,338
Limbiate	2006	2015	-	1	1,923
Massa	1995	2014	2016	43	8,195
Nichelino	2017	2017	2017	68	41,694
Paderno Dugnano	1975	2014	2022	77	16,751
Thiene	1992	2014	2015	39	5,973
Turin	1989	2014	2014	12	1,186
Vercelli	1987	2014	2016	20	3,125

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024

Contents

1. CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

1.1. Consolidated statement of comprehensive income

(in thousands of euros)	Note	First-half 2024	First-half 2023
Gross rental income		**192 800**	**188 836**
Charges rebilled to tenants		58 219	58 424
Total income from rental activity		**251 019**	**247 260**
Real estate expenses		(27 115)	(26 913)
Rental charges		(43 346)	(42 617)
Property expenses (landlord)		(4 259)	(2 779)
Net rental income	*9.1*	**176 299**	**174 951**
Overhead expenses	9.2	(23 043)	(23 800)
Income from property management, administration and other activities		6 478	6 258
Other income		5 789	4 794
Payroll expenses		(15 374)	(14 247)
Other external expenses		(19 935)	(20 605)
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	9.3	(1 142)	(476)
Other operating income and expenses	9.4	(6 017)	(68)
Gains and losses on disposals of investment properties and equity investments	9.5	(1 446)	108
Change in fair value adjustments	6.2	(22 374)	(74 178)
Share in net income of equity-accounted companies	8.3	966	1 841
Operating income		**123 242**	**78 378**
Financial income		26 685	9 496
Financial expenses		(61 925)	(40 168)
Cost of net debt		**(35 240)**	**(30 672)**
Other financial income and expenses		(4 384)	(7 607)
Net financial expense	*7.1*	**(39 624)**	**(38 279)**
Income before taxes		**83 618**	**40 099**
Income tax benefit (expense)	*10.1*	1 152	(5 229)
Consolidated net income		**84 770**	**34 870**
Attributable to owners of the parent		**84 497**	**34 863**
Non-controlling interests		273	**7**
Average number of shares comprising Carmila's share capital	*8.8.4*	141 868 475	143 473 746
Earnings per share (attributable to owners) (in euros)		0,60	0,24
Diluted average number of shares comprising Carmila's share capital	*8.8.4*	141 868 475	143 618 393
Diluted earnings per share (attributable to owners) (in euros)		0,60	0,24

Consolidated statement of comprehensive income *(in thousands of euros)*	Note	First-half 2024	First-half 2023
Consolidated net income		**84,770**	**34,870**
Items that will be reclassified subsequently to net income		17,177	(4,761)
Effective portion of cash flow hedges		17,177	(4,761)
Total comprehensive income		**101,947**	**30,109**

1.2. Consolidated statement of financial position

ASSETS

(in thousands of euros)	Note	30 June 2024	31 Dec. 2023
Intangible assets	*8.1*	1,999	1,942
Property, plant and equipment	*8.2*	13,947	12,817
Investment properties carried at fair value	*6.1*	5,518,019	5,519,034
Investment properties carried at cost	*6.1*	24,420	19,905
Investments in equity-accounted companies	*8.3*	75,848	77,232
Other non-current assets	*8.4*	58,287	48,462
Deferred tax assets	*10.4*	5,172	6,111
Non-current assets		**5,697,693**	**5,685,504**
			-
Trade receivables	*8.5*	127,409	106,598
Other current assets	*8.6*	85,910	78,248
Cash and cash equivalents	*8.7*	777,409	860,194
Current assets		**990,728**	**1,045,040**
Total assets		**6,688,421**	**6,730,544**

EQUITY AND LIABILITIES

(in thousands of euros)	Note	30 June 2024	31 Dec. 2023
Share capital		854,646	854,646
Additional paid-in capital		1,514,131	1,646,975
Treasury shares		(9,536)	(3,162)
Other comprehensive income		38,469	20,184
Consolidated retained earnings		726,835	766,396
Consolidated net income		84,497	2,778
Equity attributable to owners		**3,209,041**	**3,287,816**
Non-controlling interests		5,561	5,443
Total equity	**1.4 & 8.8**	**3,214,602**	**3,293,259**
Non-current provisions	*8.9*	3,892	4,278
Non-current financial liabilities	*7.2*	2,477,625	2,480,639
Lease deposits and guarantees		82,489	81,118
Non-current tax and deferred tax liabilities	*10.3 & 10.4*	137,702	137,202
Other non-current liabilities		(0)	-
Non-current liabilities		**2,701,706**	**2,703,237**
Current financial liabilities	*7.2*	585,063	574,462
Bank facilities	*7.2 & 8.7*	8	13
Current provisions		-	93
Trade payables	*8.10*	22,078	19,403
Payables to suppliers of non-current assets	*8.10*	15,668	3,062
Accrued tax and payroll liabilities	*8.11*	65,523	49,736
Other current liabilities	*8.11*	83,774	87,279
Current liabilities		**772,113**	**734,048**
Total equity and liabilities		**6,688,421**	**6,730,544**

1.3. Consolidated statement of cash flows

(in thousands of euros)	*Note*	First-half 2024	First-half 2023
Consolidated net income		**84,770**	**34,870**
Elimination of income from equity-accounted companies	*8.3*	(966)	(1,841)
Elimination of depreciation, amortisation and provisions		1,973	7,694
Elimination of fair value adjustments	*6.1 & 7.2.1*	23,735	73,401
Elimination of capital gains and losses on disposals		1,166	(108)
Other non-cash income and expenses		(2,559)	819
Cash flow from operations after cost of net debt and tax		**108,119**	**114,835**
Elimination of tax expense (income)	*10.1*	(1,152)	5,229
Elimination of cost of net debt		33,990	30,672
Cash flow from operations before cost of net debt and tax		**140,957**	**150,736**
Change in operating working capital		(9,377)	(12,717)
Change in lease deposits and guarantees		1,202	105
Income tax paid		(173)	815
Net cash from operating activities		**132,609**	**138,939**
Change in payables on non-current assets		12,213	(5,264)
Acquisitions of investment properties	*6.1*	(27,964)	(32,036)
Acquisitions of other non-current assets		(2,771)	(2,109)
Disposal of investment properties and other non-current assets		4,748	94,977
Dividends received		1,530	1,563
Net cash from (used in) investing activities		**(12,244)**	**57,131**
Net sale (purchase) of treasury shares		(6,374)	(20,020)
Issuance of bonds		-	20,950
Increase in bank loans	*7.2*	-	335,855
Interest paid		(51,857)	(39,809)
Interest received		25,949	9,067
Dividends and share premiums distributed to shareholders		(170,864)	(166,823)
Net cash from (used in) financing activities		**(203,145)**	**139,220**
Net change in cash and cash equivalents		**(82,780)**	**335,290**
Cash and cash equivalents at start of period		*860,181*	*356,687*
Cash and cash equivalents at end of period	*8.7*	*777,401*	*691,977*

1.4. Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Note	Share capital	Additional paid-in capital	Treasury shares	Other comprehensive income	Consolidated retained earnings	Consolidated net income	Equity attributable to owners	Non-controlling interests	Total equity
Balance at 31 December 2023		**854,646**	**1,646,975**	**(3,162)**	**20,184**	**766,396**	**2,778**	**3,287,816**	**5,443**	**3,293,259**
Treasury share transactions	*8.8.3*			(6,374)		(2,559)		**(8,933)**		**(8,933)**
Dividend paid			(132,844)			(37,864)		**(170,708)**	(156)	**(170,864)**
Appropriation of 2023 net income						2,778	(2,778)			
Net income for the period							**84,497**	**84,497**	**273**	**84,770**
Other comprehensive income reclassified to income					1,230			**1,230**		**1,230**
Change in fair value of hedging instruments					15,947			**15,947**		**15,947**
Other comprehensive income					**17,177**			**17,177**		**17,177**
Other changes					1,108	(1,917)		**(808)**		**(808)**
Balance at 30 June 2024		**854,647**	**1,514,131**	**(9,536)**	**38,469**	**726,834**	**84,497**	**3,209,042**	**5,560**	**3,214,602**

2. SIGNIFICANT EVENTS OF FIRST-HALF 2024

Carmila continued to see good leasing momentum, with 490 leases signed in the first half of 2024 in line with the portfolio's rental values.

Net rental income for first-half 2024 was up 0.8% to €176.3 million, mainly due to organic rental income growth of 3.4%, including a positive indexation effect and a negative 1.7% scope effect further to the disposal of assets in France and Spain in 2023.

Of the total rent invoiced in first-half 2024, 96.8% has been collected.

The value of the portfolio (including transfer taxes), was €5.9 billion at 30 June 2024, up €2.4 million (up 0.0%) versus 31 December 2023. Exit capitalisation rates increased over the period, with an overall rate (net potential yield – NPY) of 6.85% at 30 June 2024. The scope was unchanged from end-2023.

2.1. Investments undertaken and pending

On 1 July 2024, Carmila took control of Galimmo SCA through the acquisition of 93% of the company's shares (see Note 14.1).

On 28 June 2024, Carmila granted Primonial REIM France a put option to sell its entire 7% stake in Galimmo SCA, exercisable until 30 July 2024, for approximately €27 million (i.e., €11.93 per share).

In the event the put option is exercised by Primonial REIM France, Carmila will own 99.9% of the share capital of Galimmo SCA, representing a total investment of €299 million, an average acquisition price of €9.22 per share and a 38% discount to the NDV EPRA NAV at December 31, 2023.

Carmila will file a tender offer in the coming weeks, followed – in the event the put option is exercised – by a squeeze-out, for the remaining shares in Galimmo SCA.

The tender offer price will depend on the implementation of a squeeze-out. In any event, this tender offer price will not be lower than €11.93 and will remain subject to the work of the independent expert to be appointed by Galimmo SCA in accordance with legal and regulatory provisions.

2.2. Dividend

Acting on a proposal from the Board of Directors, Carmila's Annual General Meeting of 24 April 2024 approved the dividend of €1.20 per share for 2023. This dividend was paid in cash.

The total cash dividend distributed to shareholders represented €171 million and was paid on 2 May 2024. The dividend distribution covered the SIIC regime distribution obligation for 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements were prepared in accordance with IAS 34 – Interim Financial Reporting, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, as contained in the Universal Registration Document filed by the Group with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 15 March 2024. The interim consolidated financial statements do, however, include a series of explanatory notes detailing significant transactions and events that allow readers to identify the changes in the Group's financial position and performance since the most recent annual consolidated financial statements.

Unless otherwise stated in the standards and amendments applicable for the first time in the period, the significant accounting policies used to prepare these condensed interim consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2023. Only accounting principles and methods applied to the most significant indicators are described in this document.

These interim financial statements for the six months ended 30 June 2024 were prepared under the responsibility of the Board of Directors, which approved and authorised them for issue on 24 July 2024.

3.1. 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 30 June 2024, the Group employed 238 people, with 153 in France, 66 in Spain and 19 in Italy (not including apprentices). The Group owns a portfolio of 201 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 25, rue d'Astorg, 75008 Paris 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.

3.2. Shareholding, stock market listing and strategic partnership

Carmila's share capital is held by several of its long-term shareholders. At 30 June 2024, its largest shareholder is the Carrefour group, which holds 36.4% 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 63.6% of the share capital is mainly owned by long-term investors from major insurance companies or blue-chip financial players, including Predica (9.9% of Carmila's share capital), Cardif Assurance Vie (9.1%) and Sogecap (6.1%).

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

3.3. Accounting standards

IFRS standards applied

The Carmila Group's consolidated financial statements at 30 June 2024 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 30 June 2024, 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 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

These amendments did not have a material impact on the consolidated financial statements at 30 June 2024.

No standards were adopted by the Group ahead of their effective date.

3.4. 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 6 "Investment properties"). The Group has its property assets appraised every six months by independent appraisers according to the methods described in Note 6. 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;
- **provisions for contingencies and charges and other provisions related to operations** (see Note 8.9 "Provisions");
- **the assumptions used to calculate and recognise deferred taxes** (see Note 10 "Income tax");
- **the costs of Carmila's CSR commitments** are mainly included in maintenance Capex which is reflected in the fair value of investment property;
- **allowances for trade receivables (see Note 8.5).**

3.5. Other principles applied in presenting the consolidated financial statements

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.

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.

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.

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.

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.

4. CONSOLIDATION SCOPE AND METHODS

4.1. 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.

4.2. Main changes in the scope of consolidation in first-half 2024

The Group did not carry out any company acquisitions, disposals or mergers during the period.

4.3. Description of the main partnerships

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 accounted for under the equity method.

Magnirayas – France

Carmila holds 20% of the shares and voting rights of French company Magnirayas. The other partners are Batipart and Atland Voisin. Most decisions are adopted by a 50.0% majority. Some decisions require unanimity of the members of the Strategy Committee Unanimous decisions grant protective rights to Carmila without giving it the power to direct or co-direct the relevant activities. This provision does not in any way confer sole control over any decision regarding the relevant activities. Unanimous decisions concern fundamental changes to Magnirayas.

Carmila provides property management and leasing services, while Batipart is responsible for portfolio management. As Carmila considers that this gives it significant influence, the company is therefore accounted for using the equity method.

HDDB Holding – France

Carmila Retail Development (CRD) holds a 30% stake in HDDB Holding. The remainder is held by DMVB Holding. HDDB Holding develops and operates businesses selling electronic cigarettes, e-liquid and e-cigarette accessories.

Based on majority rules (including for key decisions), CRD does not have sole control of the company. However, given its shareholding and involvement in the Management Committee, notably in key decisions regarding relevant activities, it participates in HDDB Holding's financial and operating policy decisions. Accordingly, it exercises significant influence over the company. The company is therefore included in the consolidated financial statements using the equity method.

5. SEGMENT REPORTING

5.1. 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;
- EBITDA.

In order to align the Group's financial communications with segment data used for management reporting purposes, the Group has decided to use EBITDA instead of recurring operating income as a performance indicator from 2023 onwards.

The Group defines EBITDA 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.

Group EBITDA includes Carmila's share of the EBITDA of its equity-accounted partners.

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 periods presented, no individual tenant represented more than 5% of the Group's gross rental income.

5.2. Operating income by operating segment

	France		Spain		Italy		TOTAL	
(in thousands of euros)	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023
Gross rental income	131,024	127,719	49,196	48,937	12,579	12,180	192,800	188,836
Real estate expenses	(4,081)	(3,289)	(1,174)	(1,626)	(483)	(461)	(5,738)	(5,376)
Non-recoverable service charges	(3,449)	(2,649)	(2,714)	(2,761)	(341)	(320)	(6,504)	(5,730)
Property expenses (landlord)	(3,913)	(2,201)	(428)	(673)	82	95	(4,259)	*(2,779)*
Net rental income	**119,581**	**119,580**	**44,880**	**43,877**	**11,837**	**11,494**	**176,299**	**174,951**
Overhead expenses	(15,272)	(16,098)	(6,456)	(6,406)	(1,315)	(1,296)	(23,043)	(23,800)
Income from property management, administration and other activities	5,282	5,161	847	779	349	318	6,478	6,258
Other income	5,732	4,765	5	5	51	24	5,789	4,794
Payroll expenses	(11,414)	(10,762)	(3,198)	(2,712)	(762)	(773)	(15,374)	(14,247)
Other expenses	(14,872)	(15,262)	(4,109)	(4,478)	(954)	(865)	(19,935)	(20,605)
Share in EBITDA of equity-accounted companies	-	548	1,876	1,453	-	-	1,876	*2,001*
EBITDA	**104,310**	**104,030**	**40,300**	**38,924**	**10,522**	**10,198**	**155,132**	**153,152**
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(1,095)	(328)	(193)	(142)	146	(6)	(1,142)	(476)
Other recurring operating income and expense	(6,280)	(60)	(17)	(8)	-	-	(6,297)	(68)
Gains and losses on disposals of investment properties and equity investments sold	(1,446)	(1,192)	-	1,300	-	-	(1,446)	108
Gains and losses on disposals of property, plant and equipment and intangible assets	-	-	280	-	-	-	280	-
Change in fair value adjustments	(41)	(64,273)	(18,359)	(7,714)	(3,974)	(2,191)	(22,374)	(74,178)
Increase in fair value of property	*40,559*	*8,742*	*8,629*	*11,692*	*199*	*99*	*49,387*	*20,533*
Decrease in fair value of property	*(40,600)*	*(73,015)*	*(26,988)*	*(19,406)*	*(4,173)*	*(2,290)*	*(71,761)*	*(94,711)*
Share in net income (excluding EBITDA) of equity-accounted companies	*820*	*112*	*(1,371)*	*(259)*	*(359)*	*(14)*	*(910)*	*(161)*
Operating income	**96,267**	**38,289**	**20,641**	**32,101**	**6,334**	**7,987**	**123,242**	**78,378**

5.3. 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)	30 June 2024	31 Dec. 2023
Investment properties carried at fair value	**5,518,019**	**5,519,034**
France	3,933,174	3,917,993
Spain	1,249,857	1,262,193
Italy	334,988	338,848
Investment properties carried at cost	**24,420**	**19,905**
France	24,355	19,308
Spain	-	313
Italy	65	284
TOTAL	**5,542,439**	**5,538,939**

At 30 June 2024, in terms of asset value, 71.3% of the Group's investment properties were located in France (compared to 71.0% at 31 December 2023), 22.7% in Spain (compared to 22.8% at 31 December 2023) and 6.1% in Italy (unchanged on 31 December 2023).

5.4. Breakdown of capital expenditure by operating segment

Spending on investment properties broken down by country is disclosed separately for acquisitions, developments and extensions, and for investments in the portfolio on a like-for-like basis.

	France		Spain		Italy		TOTAL	
(in thousands of euros)	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023	First-half 2024	First-half 2023
Acquisitions	5,597	224	661	1,826	0	0	6,258	2,050
Developments	1,399	-	-	-	-	-	1,399	-
Like-for-like portfolio	14,914	23,780	5,364	5,480	29	727	20,307	29,987
Extensions	630	2,920	0	0	0	383	630	3,303
Restructuring	6,869	5,279	0	0	0	0	6,869	5,279
Lease incentives	1,538	1,439	1,114	871	0	0	2,652	2,310
Renovations	337	4,449	2,870	4,609	0	0	3,207	9,058
Maintenance capex	5,540	9,693	1,380	0	29	344	6,949	10,037
Total capital expenditure	**21,910**	**24,004**	**6,025**	**7,306**	**29**	**727**	**27,964**	**32,037**

The "Acquisitions" caption mainly relates to the acquisition of units in France (Auchy-les-Mines for €1.9 million, Bourg-en-Bresse for €1.6 million, Epinal for €1.2 million) and easement rights for the operation of antennas in Spain (€0.7 million).

"Developments" concern capital expenditure for the construction of 5G antenna towers in France.

"Restructuring" concerns a number of projects including the shopping centres at Labège (€2.9 million), as part of the Zara restructuring, and Orléans (€1.0 million) as part of the restructuring of the cinema.

"Renovations" mainly concern assets in the process of being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. This caption includes numerous operations in France and Spain, the most significant of which are Santander (€0.9 million), Gran Via (€0.6 million), El Paseo (€0.5 million) and Manresa (€0.5 million).

Lastly, "Maintenance capex" includes several projects, the largest of which are Antibes (€0.8 million), Calais Coquelles (€0.4 million) and Sannois (€0.4 million). In addition, this item comprises investments designed to meet Carmila's commitments to reduce greenhouse gas emissions. Like-for-like capital expenditure also includes rent relief granted to tenants.

6. 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 one of the methods proposed by IAS 40 and the recommendations of the European Public Real Estate Association (EPRA), investment properties are initially recognised and valued individually at cost and then subsequently at fair value.

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, exit 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 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 applies a yield to the total triple-net revenue.

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 and incentives 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 and BNP Paribas Real Estate primarily use 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.

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 recoverable amount. The project's recoverable amount is measured internally by the Development teams, on the basis of an exit capitalisation rate, the expected net rents at the end of the project, and the budgeted development costs. Impairment is recognised if the recoverable amount 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.

Leases (lessee accounting)

The Group's leases are accounted for in accordance with IFRS 16 – Leases, taking into account the terms and conditions of the lease contracts and all relevant facts and circumstances.

When a contract is entered into, the Group determines whether it is (or contains) a lease, i.e., whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a property complex is leased, the land and building are analysed separately.

In Carmila's statement of financial position, leases are recognised as a right of use asset with a corresponding lease liability relating to ground leases.

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 repayment of the lease liability.

Investment properties held for sale

Assets for which there is 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 latest appraisal value, in accordance with the provisions of IFRS 5 – Non-current Assets Held for Sale.

Leases (lessor accounting)

See Note 9.1 "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.

6.1. Details of investment properties carried at fair value and at cost

(in thousands of euros)	
Investment properties carried at fair value – 31 Dec. 2022	**5,784,937**
Acquisitions	5,055
Investments	55,393
Disposals and removals from the scope of consolidation	(131,080)
Other movements and reclassifications	8,506
Application of IFRS 16	3,096
Change in fair value	(206,873)
Investment properties carried at fair value – 31 Dec. 2023	**5,519,034**
Acquisitions	6,258
Investments	21,706
Disposals and removals from the scope of consolidation	(3,583)
Other movements and reclassifications	(5,003)
Application of IFRS 16, reclassification of rent-free periods and front-end fees to assets	1,981
Change in fair value	(22,374)
Investment properties carried at fair value – 30 June 2024	**5,518,019**

(in thousands of euros)	
Investment properties carried at cost – 31 Dec. 2022	**28,509**
Other movements and reclassifications	(8,604)
Investment properties carried at cost – 31 Dec. 2023	**19,905**
Other movements and reclassifications	4,515
Investment properties carried at cost – 30 June 2024	**24,420**

6.1.1 Investment properties carried at fair value

"Investments" primarily comprise like-for-like capital expenditure plus restructuring work valued by the appraisers.

"Other movements and reclassifications" shows the net balance of assets brought into service during the period, and the reconciliation of assets carried at cost at 31 December 2023 and now measured at fair value.

"Change in fair value" records gains and losses on the value of assets during the reporting period and recognised in the income statement, based on the valuations made by independent appraisers. Changes in fair value are analysed by country in Note 6.2 "Valuation assumptions and sensitivity analysis".

6.1.2 Investment properties carried at cost

The "Other movements and reclassifications" caption shows the change resulting from properties previously carried at cost and now measured at fair value.

At 30 June 2024, no indication of a loss in value was identified for investment properties valued at cost.

The reconciliation of investments broken down by country (Note 5.4 "Breakdown of capital expenditure by operating segment") with the above data is as follows:

(in thousands of euros)		30 June 2024
Investment properties carried at fair value – Acquisitions	*6.1*	6,258
Investment properties carried at cost – Acquisitions	*6.1*	0
Total acquisitions and changes in scope of consolidation		**6,258**
Total acquisitions – Investments by country	*5.4*	**6,258**

(in thousands of euros)		30 June 2024
Investment properties carried at fair value – Investments	*6.1*	21,706
Investment properties carried at fair value – Capitalised interest	*6.1*	0
Investment properties carried at cost – Investments	*6.1*	0
Investment properties carried at cost – Capitalised interest	*6.1*	0
Total investments and capitalised interest		**21,706**
Developments and extensions	*5.4*	2,029
Like-for-like portfolio (extensions, renovations, restructuring)	*5.4*	19,677
Total acquisitions – developments and extensions and like-for-like portfolio	*5.4*	**21,706**

6.2. Valuation assumptions and sensitivity analysis

At 30 June 2024, 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, excluding Next Tower's mobile towers business (0.5% of assets):

30 June 2024 – Weighted average	Yield	Rent in € per sq.m.[1]	Discount rate[2]	Exit capitalisation rate[3]	CAGR of NRI[4]
France	6.3%	281	7.2%	6.5%	1.7%
Spain	7.4%	231	10.5%	6.9%	2.0%
Italy	6.9%	334	7.9%	6.6%	2.0%

"Yield" corresponds to the Net Initial Yield.

[1] The rent is an average annual rent 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 shows average data at 31 December 2023:

31 Dec. 2023 – Weighted average	Yield	Rent in € per sq.m.[1]	Discount rate[2]	Exit capitalisation rate[3]	CAGR of NRI[4]
France	6,1%	278	7,5%	6,8%	2,1%
Spain	7,3%	236	10,0%	7,3%	2,0%
Italy	6,8%	288	8,2%	7,0%	2,0%

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)	30 June 2024	31 Dec. 2023	30 June 2024	31 Dec. 2023	30 June 2024	31 Dec. 2023	30 June 2024	31 Dec. 2023
Change in fair value adjustments	(41)	(191,157)	(18,359)	(11,183)	(3,974)	(4,533)	(22,374)	(206,873)
Increase in fair value of property	40,559	3,503	8,629	12,654	199	66	49,387	16,223
Decrease in fair value of property	(40,600)	(194,660)	(26,988)	(23,837)	(4,173)	(4,599)	(71,761)	(223,096)

The table below shows the percentage changes in the value of the shopping centre portfolio as a whole using different discount rate, exit capitalisation rate and indexation rate assumptions from those used by the independent appraisers, as well as the portfolio's overall sensitivity based on an average exit capitalisation rate. For shopping centres valued by Catella France, which systematically uses the average of the capitalisation and the discounted cash flow method, sensitivity to the discount, exit capitalisation and indexation rates only concerns the discounted cash flow method.

	Change in rates compared with those used by independent appraisers					
30 June 2024 – Sensitivity analysis	-100 bps	-50 bps	-25 bps	+25 bps	+50 bps	+100 bps
Discount rate	7.0%	3.4%	1.5%	-1.9%	-3.4%	-6.7%
Exit capitalisation rate	8.9%	4.7%	1.9%	-2.0%	-3.8%	-7.1%
Yield	17.1%	7.9%	3.8%	-3.5%	-6.8%	-12.7%
CAGR of net rental income	-6.8%	-3.5%	-1.7%	1.8%	3.6%	7.3%

Note that the average rent per square metre is an assumption underlying or similar to the yield, since it reflects current rent levels on Carmila's portfolio. Accordingly, the following table shows the sensitivity at the level of the average rent per square metre.

	Change in assets compared with rent per sq.m. (in €)					
30 June 2024 – Sensitivity analysis	232	252	263	284	294	315
Portfolio valuation	17.1%	7.9%	3.8%	-3.5%	-6.8%	-12.7%

6.3. Investment properties held for sale

At 30 June 2024, there were no investment properties held for sale.

7. 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 the floating-rate payer swap recognised at fair value with changes in fair value taken to the statement of income.

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 through 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).

7.1. Net financial expense

7.1.1 Cost of net debt

(in thousands of euros)	First-half 2024	First-half 2023
Financial income	**26,685**	**9,496**
Interest on Group current account	672	763
Financial income on cash equivalents	17,328	4,537
Interest income on swaps	8,381	-
Other financial income	305	4,196
Financial expenses	**(61,925)**	**(40,168)**
Interest expense on bonds	(30,695)	(20,723)
Interest expense on bank borrowings	(23,549)	(15,070)
Deferral of costs, bond redemption premiums and swap balancing payments	(4,299)	(3,683)
Interest expense on swaps	(2,343)	(191)
Other interest expense	(713)	(501)
Other financial expenses	(325)	-
Cost of net debt	**(35,240)**	**(30,672)**

The €4.6 million increase in the cost of net debt mainly results from the €21.8 million rise in financial expenses, partly offset by a €17.2 million rise in financial income.

The change in financial expenses mainly reflects:

- the €10.0 million increase in interest on bonds related to the subscription of a new bond issue in October 2023;
- the rise of €8.5 million in interest expenses on bank loans due to higher interest rates and the full half-year effect of the secured loans contracted in April 2023.

The rise in financial expenses was partly offset by an increase in financial income, attributable to the following:

- a €12.8 million increase in income from cash investments owing to a large cash balance invested on favourable terms;
- an increase of €8.4 million in interest income on hedging instruments.

7.1.2 Other financial income and expenses

(in thousands of euros)	First-half 2024	First-half 2023
Other financial income	**763**	**778**
Change in value of financial instruments	763	778
Other financial expenses	**(5,148)**	**(8,385)**
Commitment fees on undrawn credit lines	(975)	(997)
Change in value of financial instruments	(875)	-
Other financial expenses	(3,299)	(7,388)
Other financial income and expenses	**(4,384)**	**(7,607)**

Other financial income and expenses represented €4.4 million, down €3.2 million year on year, attributable to a decrease of €3.2 million in other financial expenses that can be analysed as follows:

- changes in the fair value of financial instruments including an expense of €0.7 million related to changes in credit risk and €0.1 million related to changes in the value of a swap not eligible for hedge accounting and treated as a fair value hedge;
- additions to provisions for impairment of receivables with equity investments totalling €3.3 million, a year-on-year decrease of €4.1 million.

7.2. Current and non-current financial liabilities

On 16 November 2023, S&P confirmed Carmila's BBB rating with a "stable" outlook.

At 30 June 2024, the interest coverage ratio was 4.5x, the Loan-to-Value ratio (including transfer taxes) stood at 38.0% and the average debt maturity at 4.5 years. At 31 December 2023, the interest coverage ratio was 4.7x, the Loan-to-Value ratio stood at 36.6% and the average debt maturity at 4.8 years.

7.2.1 Change in debt

(in thousands of euros)	31 Dec. 2023	Change	Issuance	Redemption	Reclassifications	Other movements	Fair value adjustment	30 June 2024
Non-current financial liabilities	**2,436,526**	**(305)**	**(511)**	**3,069**	**1**	**-**	**(3,566)**	**2,435,217**
Bonds	1,630,964	-	-	-	-	-	(3,566)	1,627,398
Of which nominal value of bonds	*1,625,000*		-	-	-			*1,625,000*
Of which remeasurement of the fair value of debt	*5,964*						*(3,566)*	*2,398*
Bond issuance premiums	(9,333)	-	-	1,314	-	-	-	(8,019)
Bank borrowings	826,000	-	-	(0)	-	-	-	826,000
Loan and bond issuance fees	(15,160)	-	(511)	1,755	-	-	-	(13,915)
Derivative instruments with a negative fair value	4,056	(305)	-	-	1	-		3,752
Current financial liabilities	**573,151**	**(5)**	**9,723**	**-**	**(1)**	**-**	**-**	**582,867**
Bonds	539,100	-	-	-	-	-	-	539,100
Accrued interest on loans	33,429	-	9,723	-	-	-	-	43,152
Derivative instruments with a negative fair value	609	-	-	-	(1)	-	-	608
Bank facilities	13	(5)	-	-	-	-	-	8
Other IFRS 16 financial liabilities	**45,437**	**-**	**-**	**(1,084)**	**-**	**257**	**-**	**44,611**
Other IFRS 16 financial liabilities – non-current	44,113	-	-	(1,084)	(879)	257	-	42,408
Other IFRS 16 financial liabilities – current	1,324			-	879	-		2,203
Gross debt	**3,055,114**	**(310)**	**9,212**	**1,985**	**-**	**257**	**(3,566)**	**3,062,695**

7.2.2 Principal Group financing

(in thousands of euros)	Borrower	Currency of issue	Interest rate	Final maturity date	Repayment profile	Amount at inception	Amount drawn at 30 June 2024
Bonds						2,225,000	**2,164,100**
	Carmila SA	EUR	2.375%	Sep-24	at maturity	600,000	**539,100**
	Carmila SA	EUR	2.125%	Mar-28	at maturity	350,000	**350,000**
	Carmila SA	EUR	1.890%	Nov-31	at maturity	50,000	**50,000**
	Carmila SA	EUR	3.000%	Jun-29	at maturity	100,000	**100,000**
	Carmila SA	EUR	1.625%	May-27	at maturity	300,000	**300,000**
	Carmila SA	EUR	1.625%	Apr-29	at maturity	325,000	**325,000**
	Carmila SA	EUR	5.500%	Oct-28	at maturity	500,000	**500,000**
Bank loans						550,000	**550,000**
	Carmila SA	EUR	3m Euribor +1.8%	Jul-29	at maturity	550,000	**550,000**
Secured loan						276,000	**276,000**
	Carmila Saran	EUR	3m Euribor +1.75%	Apr-30	at maturity	33,750	**33,750**
	Carmila Evreux	EUR	3m Euribor +1.75%	Apr-30	at maturity	53,056	**53,056**
	Carmila Nice	EUR	3m Euribor +1.75%	Apr-30	at maturity	78,443	**78,443**
	Carmila Coquelles	EUR	3m Euribor +1.75%	Apr-30	at maturity	110,751	**110,751**
						Maximum amount	**Amount drawn at 30 June 2024**
Commercial paper						0	**0**
	Carmila SA	EUR					
Revolving credit facility						540,000	**0**
	Carmila SA	EUR		Sep-27		540,000	**0**
TOTAL						**3,591,000**	**2,990,100**

7.2.3 Bonds

Carmila has seven bonds, issued in 2016, 2018, 2019, 2020, 2021 and 2023, for a total amount outstanding of €2,164 million. These bonds are redeemable at maturity, falling between 2024 and 2031.

Issuance premiums and costs represented €12,145 thousand and will be amortised over the residual term of the underlying debt.

7.2.4 Bank borrowings

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027, with two extension options of one year each. On 25 June 2024, Carmila exercised its second option to extend this

loan by one year, obtaining the agreement of all the lending banks to extend its maturity to 20 July 2029.
On 17 April 2023, Carmila signed a €276 million secured loan maturing in 2030. This new credit facility took the form of a loan contracted by four subsidiaries of Carmila France (Carmila Nice, Carmila Evreux, Carmila Saran and Carmila Coquelles), and is secured by their assets.

At 30 June 2024, €9,080 thousand of issuance costs for these loans remain to be amortised over the period of the underlying debt.

7.2.5 Compliance with banking covenants at 30 June 2024

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 was 4.5x at 30 June 2024 (versus 4.7x at 31 December 2023);

- 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 38.0% at 30 June 2024 (compared with 36.6% at 31 December 2023).

Failure to comply with these covenants entitles the lenders to demand immediate repayment of their facilities.

Under the loan agreements, Carmila may provide collateral to the extent that the maximum amount of the associated debt does not exceed 20% of the total amount of the fair value of investment properties, whose value must be greater than €2,500 million at all times.

At 30 June 2024, the Group complied with the applicable banking covenants, and does not anticipate any factor that would lead it to breach said covenants in the coming months.

7.2.6 Other financing

The Group also strives to diversify its sources of financing and their maturities, and has set up a short- (NEU CP) and medium-term (NEU MTN) commercial paper programmes for a maximum amount of €540 million, registered with the Banque de France on 29 June 2017 and renewed annually.

The amount outstanding at end-June 2024 was nil. No drawdowns were made by Carmila on its short-term debt securities programme during the period.

Carmila also arranged a revolving credit facility for €540 million, maturing in October 2028. This facility includes 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 during the period.

7.2.7 Breakdown of financial liabilities by maturity

At 30 June 2024, financial liabilities broken down by maturity were as follows:

(in thousands of euros)	30 juin 2024	Less than 1 year	2 years	3 years	4 years	5 years and beyond
Bonds	**2 188 546**	**570 842**	**(2 945)**	**(2 922)**	**297 500**	**1 326 070**
Bonds – non-current	1 627 398	-	-	-	300 000	1 327 398
Of which nominal value of bonds	*1 625 000*	-	-	-	*300 000*	*1 325 000*
Of which remeasurement of the fair value of debt	*2 398*					*2 398*
Bonds – current	539 100	539 100	-	-	-	-
Bond redemption premiums – non-current	(8 019)	(1 979)	(1 806)	(1 793)	(1 572)	(869)
Accrued interest	34 901	34 901				
Issuance costs	(4 835)	(1 180)	(1 139)	(1 129)	(928)	(459)
Bank loans	**825 170**	**5 994**	**(2 257)**	**(1 857)**	**(1 082)**	**824 373**
Bank borrowings – non-current	826 000	-	-	-	-	826 000
Issuance costs	(9 081)	(2 257)	(2 257)	(1 857)	(1 082)	(1 627)
Accrued interest	8 251	8 251	-	-	-	-
Other IFRS 16 financial liabilities	**44 611**	**2 203**	**2 277**	**2 353**	**2 433**	**35 345**
Other IFRS 16 financial liabilities – non-current	42 408		2 277	2 353	2 433	35 345
Other IFRS 16 financial liabilities – current	2 203	2 203				
Bank and bond borrowings	**3 058 327**	**579 039**	**(2 925)**	**(2 426)**	**298 851**	**2 185 788**
Derivative instruments with a negative fair value	4 360	612	612	612	612	1 912
Bank facilities	8	8	-	-	-	-
Gross debt by maturity date	**3 062 695**	**579 659**	**(2 313)**	**(1 814)**	**299 463**	**2 187 700**

Maturities of less than one year are covered by available cash and the revolving credit facility.

Contractual flows including principal and interest can be analysed by maturity as follows:

Year of repayment *(in thousands in euros)*	2024	2025	2026	2027	2028	2029+	TOTAL
Principal	539,100	-	-	300,000	850,000	1,301,000	2,990,100
Interest	51,037	95,672	95,672	92,828	80,635	37,851	453,694
Group total (principal + interest)	**590,137**	**95,672**	**95,672**	**392,828**	**930,635**	**1,338,851**	**3,443,794**

Interest was calculated based on Euribor at 30 June (excluding the impact of hedging).

7.3. Management of financial risks and hedging strategy

7.3.1 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.

7.3.2 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-June 2024, Carmila had one revolving credit facility for €540 million. This facility was not drawn down during the period.

The remaining balance of cash and cash equivalents at 30 June 2024 was €777 million.

7.3.3 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).

In order to optimise its hedging, on 16 January 2024, Carmila entered into a swaption collar (starting in 2026, maturing in 2034), with a nominal amount of €50 million.

At 30 June 2024, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- eight fixed-rate payer swaps at 3-month Euribor for a notional amount of €585 million, with the swap covering the longest term expiring in December 2032;
- one floating-rate payer swap for a notional amount of €160 million maturing in October 2028;
- one cap for a nominal amount of €100 million maturing in 2026;
- five swaption collars for a nominal amount of €250 million, with the longest term covered expiring in January 2034;
- one collar (cap and floor) for a nominal amount of €75 million maturing in 2031;
- four receiver swaptions for a nominal amount of €325 million maturing in 2035.

Hedging instruments are accounted for as cash flow hedges, with the exception of the floating-rate payer swap, which is not eligible for hedge accounting and is treated as a fair value hedge and receiver swaptions not eligible for hedge accounting and treated as trading instruments. 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 89% of gross debt at 30 June 2024, including the seven swaps and two caps in place at that date.

As the Group does not hold any shares in listed companies apart from its own shares, it is not exposed to equity risk.

The Group is exposed to the risk of changes in the value of its investments in unlisted and non-consolidated companies.

8. BREAKDOWN OF OTHER STATEMENT OF FINANCIAL POSITION ITEMS

8.1. 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. 2023	Acquisitions	Additions/ reversals	Reclassifications/ retirements	30 June 2024
Software	1,739	52	-	(0)	1,790
Other intangible assets	14,220	169	-	(0)	14,389
Intangible assets in progress	40	1	-	-	41
Intangible assets – gross value	15,999	222	-	(1)	16,220
Amortisation/impairment of software	(1,143)	-	(92)	0	(1,235)
Amortisation/impairment of other non-current intangible assets	(12,915)	-	(72)	(0)	(12,987)
Intangible assets – cumulative amortisation	(14,058)	-	(164)	0	(14,222)
Total intangible assets – net	**1,942**	**222**	**(164)**	**(0)**	**1,999**

8.2. 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. 2023	Acquisitions	Additions/ reversals	Application of IFRS 16	Reclassifications/ retirements	30 June 2024
Technical plant, machinery and equipment	28	1,073	-	-	8	1,109
Office and computer equipment	632	282	-	-	133	1,047
Transportation equipment	2,368	-	-	-	-	2,368
Owner-occupied property	13,326	-	-	257	-	13,583
Other property, plant and equipment	1,694	297	-	-	(8)	1,983
Property, plant and equipment – gross value	18,048	1,652	-	257	133	20,089
Depreciation/impairment of technical plant, machinery and equipment	(25)	-	(54)	-	-	(79)
Depreciation/impairment of office and computer equipment	(155)	-	(57)	-	-	(211)
Depreciation/impairment of transportation equipment	(1,610)	-	(177)	-	-	(1,787)
Depreciation/impairment of owner-occupied property	(3,392)	-	(541)	-	-	(3,933)
Depreciation/impairment of other property, plant and equipment fixed c	(49)	-	(83)	-	-	(132)
Property, plant and equipment – cumulative depreciation	(5,231)	-	(912)	-	-	(6,142)
Total property, plant and equipment – net	**12,817**	**1,652**	**(912)**	**257**	**133**	**13,947**

At 30 June 2024, property, plant and equipment mainly includes right-of-use assets for the Group's service centres in France and Spain. Acquisitions during the period related to service centres in France and Spain.

8.3. Investments in equity-accounted companies

(in thousands of euros)	31 Dec. 2023	Net income	Distribution	Other movements	30 June 2024
Investments in equity-accounted companies	77,232	966	(1,530)	(820)	75,848

At 30 June 2024, this item comprised As Cancelas (Spain), acquired in 2014 and currently in operation; Carmila Thiene (Italy), set up for the purposes of a development project; Magnirayas (France), set up in June 2022; and HDDB Holding since 1 January 2022.

Magnirayas was created in the context of the sale of a portfolio of six assets belonging to Carmila via a joint venture with Batipart and Atland Voisin.

Carmila Retail Development (CRD) holds a 30% stake in HDDB Holding. The rest is held by DMVB Holding. HDDB Holding (Cigusto) develops and operates businesses selling electronic cigarettes, e-liquid and e-cigarette accessories.

8.4. Other non-current assets

Accounting policies

In accordance with IFRS 9 – Financial Instruments, the main financial assets are classified in one of the following categories:

- assets at amortised cost;
- assets at fair value through income;
- assets at fair value through other comprehensive income (subsequently reclassified to income);
- assets at fair value through other comprehensive income (not subsequently reclassified to income).

Assets at amortised cost

Financial assets are measured at amortised cost when they will be recovered through the collection of contractual cash flows (repayments of principal and interest on the principal amount outstanding).

These assets correspond to receivables related to equity investments and other loans and receivables. They are initially carried at fair value, recognised and measured using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts expected future cash flows to the instrument's carrying amount.

In accordance with IFRS 9, these assets are written down by the amount of any expected credit losses.

Assets at fair value through income

This category includes:

• financial assets which are not held to collect contractual cash flows or for the purposes of sale, where the related cash flows do not correspond solely to repayments of principal and interest; and

• assets designated as at fair value and managed on a fair value basis, along with non-consolidated equity interests.

Changes in fair value are recognised in other financial income and expenses.

Assets at fair value through other comprehensive income (subsequently reclassified to income)

This category includes financial assets that will be recovered through the collection of contractual cash flows (repayment of principal and interest on the principal amount outstanding) or through a possible sale.

Changes in the fair value of these assets are recognised directly in other comprehensive income, with the exception of interest income, which is recognised in other financial income and expenses. Changes in fair value are reclassified to the income statement when the assets are sold.

Assets at fair value through other comprehensive income (not subsequently reclassified to income)

This category includes equity instruments not held for trading purposes, and mainly consists of non-consolidated equity investments.

Changes in the fair value of these assets are recognised directly in other comprehensive income, with the exception of those relating to dividends, which are recognised in other financial income and expenses. Changes in the fair value of these assets are not reclassified to income when the assets are sold.

For assets available for sale, see Note 6 "Investment properties".

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	Additions	Reclassification	30 June 2024
Non-consolidated equity interests	5,930	900	280	-	-	7,110
Security deposits	13,637	171	-	-	(1)	13,806
Derivative instruments – assets	29,667	9,839	-	-	-	39,506
Other financial assets	1,269	0	(1)	-	(0)	1,268
Other non-current assets – gross value	50,503	10,910	278	-	(1)	61,690
Impairment on other non-current assets	(2,041)	-	-	(1,362)	-	(3,403)
Other non-current assets – net	**48,462**	**10,910**	**278**	**(1,362)**	**(1)**	**58,286**

"Other financial assets" relates to a €1.2 million loan to Magnirayas, recognised using the equity method in Carmila's consolidated financial statements.

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.

Derivative instruments with a positive fair value correspond mainly to the mark-to-market of swaps, which increased by €14.6 million over the period due to rising interest rates, from a positive fair value of €36.6 million to a positive fair value of €50.1 million, of which €36.5 million long term and €13.6 million short term (see section 8.6).

8.5. Trade receivables

Accounting policies

Trade receivables mainly comprise rent receivable from tenants, front-end fees and any advisory services. In the event of a loss in value, an impairment allowance 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.

(in thousands of euros)	30 June 2024	31 Dec. 2023
Trade receivables – gross value	**188,013**	**167,845**
of which related to leasing activity	*159,575*	*155,357*
of which accrued receivables and receivables unrelated to leasing activity	*28,438*	*12,488*
Allowances for trade receivables	**(60,604)**	**(61,247)**
of which related to leasing activity	(59,294)	(60,530)
of which unrelated to leasing activity	(1,310)	(717)
Trade receivables – net	**127,409**	**106,598**

There was a €20.8 million year-on-year increase in net trade receivables at 30 June 2024, mainly due to the recognition of accrued receivables for property taxes to be rebilled in France.

(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	13,034	-	13,034	38	801	(441)	271	1,339	856	10,170	(10,983)
Italy	7,685	5,370	2,314	(11)	308	40	58	(47)	(19)	1,986	(2,183)
France	138,856	83,556	55,300	435	(1,175)	(1,614)	(1,194)	7,888	11,035	39,925	(46,128)
Group total	**159,575**	**88,926**	**70,649**	**461**	**(66)**	**(2,014)**	**(866)**	**9,180**	**11,872**	**52,081**	**(59,294)**

	Allowances on receivables	<15 days	>=15 days <30 days	>=30 days <60 days	>=60 days <90 days	>=90 days <180 days	>=180 days <360 days	>=360 days
Spain	(10,983)				(240)	(578)	(1,451)	(8,714)
Italy	(2,183)	(10)	(37)	(28)	(36)	(34)	(7)	(2,031)
France	(46,128)	40	1,073	327	(91)	(3,273)	(6,960)	(37,244)
Group total	**(59,294)**	**30**	**1,036**	**299**	**(367)**	**(3,885)**	**(8,418)**	**(47,989)**

The aged balance does not include accrued receivables or receivables unrelated to the leasing activity.

8.6. Other current assets

(in thousands of euros)	30 June 2024	31 Dec. 2023
Tax receivables	14,875	11,474
Corporate tax receivables	3,222	1,376
Other tax receivables	11,653	10,098
Financial receivables	65,370	60,424
Receivables related to investment properties	48,682	48,524
Derivative instruments – assets	16,689	11,900
Marketable securities – excl. money-market	0	0
Other receivables	20,279	19,031
Receivables from charges rebilled to tenants	11,851	9,184
Other miscellaneous receivables	6,855	7,245
Prepaid expenses	1,573	2,602
Total other receivables – gross value	**100,525**	**90,929**
Impairment of other receivables	(14,614)	(12,681)
Other current receivables – net	**85,911**	**78,248**

At 30 June 2024, tax receivables increased due to a €2.6 million tax credit in Spain relating to 2023, obtained following a ruling by the French Constitutional Court on the increase in the limit on tax loss carryforwards.

Financial receivables relating to equity investments mainly comprised the Group's loans to equity-accounted companies (As Cancelas for €6.5 million and Carmila Thiene for €5.1 million), and to advances by Carmila Retail Development to non-controlling interests in which the company has an equity stake for €36.1 million.

Derivative instruments with a positive fair value correspond to the short-term portion (see Note 8.4).

Other receivables mainly reflect receivables from charges rebilled to tenants for €11.9 million and interest receivable on term deposits for €5.0 million.

The increase in allowances reflects the recognition of an impairment loss against a current account with a non-consolidated company in which Carmila holds a minority stake, for €1.9 million (see Note 7.1).

8.7. Net cash

(in thousands of euros)	30 June 2024	31 Dec. 2023
Cash	170,129	155,914
Cash equivalents	607,280	704,280
Cash and cash equivalents	777,409	860,194
Bank facilities	(8)	(13)
Net cash	**777,401**	**860,181**

Cash equivalents of €607 million correspond to term deposits.

The change in the Group's net cash position is detailed in Note 1.3 "Consolidated statement of cash flows".

8.8. Equity

8.8.1 Share capital and premiums on Carmila's capital

(in thousands of euros)	Number of shares	Share capital	Issuance premium	Merger premium
At 1 January 2024	**142,441,073**	854,646	540,215	1,106,759
Dividend – GM of 24 April 2024	-			(132,844)
At 30 June 2024	**142,441,073**	**854,646**	**540,215**	**973,915**

At 30 June 2024, the share capital was made up of 142,441,073 class A shares, each with a par value of six euros (€6), fully subscribed and paid up.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 24 April 2024 approved the dividend of €1.20 per share for 2024, representing a total payout of €170,708 thousand, deducted from distributable earnings for €37,864 thousand and from the merger premium for €132,844 thousand. This amount was paid in full in cash.

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

8.8.2 Distribution of issuance premiums and capital increases

For more details on the distribution of issuance premiums, see Note 2.3 "Dividend".

For more details on corporate actions, see Note 8.8.1 "Equity" above.

8.8.3 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 30 June 2024, the Company held a total of 572,598 Carmila shares including shares held under the liquidity agreement, shares purchases in 2024 as part of the share buyback programme and shares earmarked for free share plans.

8.8.4 Earnings per share

Earnings per share are calculated by dividing earnings attributable to holders of the Company's ordinary shares (A 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)	First-half 2024	Full-year 2023	First-half 2023
Net income	84,770	2,725	34,870
Consolidated net income attributable to non-controlling interests	273	(53)	7
Numerator			
Consolidated net income attributable to owners of the parent	**84,497**	**2,778**	**34,863**
Average number of shares outstanding	141,868,475	142,825,882	143,473,746
Average number of preference shares outstanding			144,647
Denominator			
Average number of shares (fully diluted)	**141,868,475**	**142,825,882**	**143,618,393**
Earnings per share (in euros)	**0.60**	**0.02**	**0.24**
Diluted earnings per share (in euros)	**0.60**	**0.02**	**0.24**

8.9. Provisions

(in thousands of euros)	31 Dec. 2023	Additions	Reversal	Reclassification	30 June 2024
Other provisions for contingencies and charges	3,519	561	(1,000)	95	3,175
Provisions for contingencies and charges	3,519	561	(1,000)	95	3,175
Provision for pensions and retirement benefits	759	39	(82)	-	716
Provisions for charges	759	39	(82)	-	716
Total non-current provisions	**4,278**	**601**	**(1,082)**	**95**	**3,892**

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).

8.10. Trade and payables to suppliers of non-current assets

(in thousands of euros)	30 June 2024	31 Dec. 2023
Fixed asset payables	15,668	3,062
Miscellaneous trade payables	2,878	4,902
Trade payables and accrued invoices	19,200	14,499
Trade and fixed asset payables	**37,745**	**22,463**

Payables to suppliers of non-current assets relate to ongoing or completed restructuring or extension projects.

8.11. Other current liabilities

(in thousands of euros)	30 June 2024	31 Dec. 2023
Accrued tax and payroll liabilities	65,523	49,736
Tax liabilities (excluding corporate income tax)	57,771	34,969
Tax liabilities – corporate income tax	(71)	855
Social security liabilities	7,823	13,912
Other liabilities	83,774	87,279
Other miscellaneous liabilities	6,360	7,470
Prepaid income	77,414	79,809
Other current liabilities	**149,297**	**137,015**

The increase in accrued tax and payroll liabilities was mainly attributable to the recognition at 1 January 2024 of the full amount of property tax due, as required by IFRIC 21, whereas this tax is paid in the second half of the year. This recognition of property tax at end-June represented a liability of €23.2 million in France.

The decrease in social security liabilities versus end-December 2023 mainly reflects the payment in 2024 of profit-sharing and incentive bonuses in respect of 2023 totalling €4.0 million, and a severance payment totalling €1.4 million.

Prepaid income breaks down as €71.4 million in France relating to billing in the third quarter of 2024, and €5.8 million in Italy relating to billing in the third quarter of 2024. The increase in this item is due to rent rises between 2023 and 2024.

9. BREAKDOWN OF STATEMENT OF INCOME ITEMS

9.1. 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 the non-cancellable term of the lease.
- any work undertaken on the tenant's behalf is depreciated on a straight-line basis over the non-cancellable term of the lease;
- 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;
- front-end 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;

Charges rebilled to tenants

Service charge income is recognised as income for the period and corresponds to charges rebilled to tenants.

Net real estate expenses

These correspond to property tax expense and the rebilling of this expense.

Net non-recoverable service charges

These charges primarily represent charges arising from vacant premises and non-rebillable expenses.

Property expenses (landlord)

These consist of service charges borne by the landlord, expenses related to works, legal costs, costs associated with bad debts, 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)	First-half 2024	First-half 2023
Rent	192,860	188,845
Front-end fees and other indemnities	(60)	(9)
Gross rental income	192,800	188,836
Property tax	(27,115)	(26,913)
Charges rebilled to tenants	21,377	21,537
Net real estate expenses	(5,738)	(5,376)
Rental charges	(43,346)	(42,617)
Charges rebilled to tenants	36,842	36,887
Net non-recoverable service charges	(6,504)	(5,730)
Management fees	(69)	(78)
Losses and depreciation of receivables	(6,200)	(245)
Other expenses	2,011	(2,456)
Property expenses (landlord)	(4,259)	(2,779)
Net rental income	**176,299**	**174,951**

9.1.1 Gross rental income and net rental income

Gross rental income	First-half 2024		First-half 2023
		Year-on-year change	
(in thousands of euros)	**Gross rental income**	Reported	**Gross rental income**
France	131,024	2.6%	127,718
Spain	49,196	0.5%	48,937
Italy	12,579	3.3%	12,180
Total	**192,800**	**2.1%**	**188,836**

Net rental income	First-half 2024			First-half 2023
		Year-on-year change		
(in thousands of euros)	**Net rental income**	Like for like	Reported	**Net rental income**
France	119,581	2.7%	0.0%	119,580
Spain	44,880	5.5%	2.3%	43,877
Italy	11,837	3.0%	3.0%	11,494
Total	**176,299**	**3.4%**	**0.8%**	**174,951**

Net rental income totalled €176.3 million, up €1.3 million, or 0.8%, in first-half 2024. This increase is attributable to the factors described below.

The impact of disposals was a negative €3.0 million or 1.7% (sale of the Tarnos, Montélimar and Torcy Bay 1 assets in France and four assets in Andalusia, Spain).

Organic like-for-like growth as adjusted for these impacts came out at €6.0 million, or 3.4%. The share of indexation included in growth at constant scope is a positive 3.4%.

Other impacts decreased net rental income by €1.6 million, or 0.9%, including the impact of non-recurring income of rent collected during 2023 in respect of previous years, which did not recur in first-half 2024, and the impact of strategic vacancies for restructuring and extension projects.

Lease expiry dates

At 30 June 2024, the average lease term was 4.5 years, breaking down as 4.7 years in France, 4.2 years in Spain and 3.3 years in Italy.

The table below shows the expiry dates for commercial leases relating to the property portfolio for the 2024-2033 period (data at 30 June 2024):

	At 30 June 2024		
Lease expiry dates	**Number of leases**	**Maturity***	**Annualised rent (€m)**
Expired 30 June 2024	380		28.7
2024	446	0.3	25.8
2025	463	1.1	23.4
2026	539	2.2	33.5
2027	590	3.2	43.7
2028	517	4.1	35.9
2029	458	5.1	31.0
2030	561	6.3	42.1
2031	476	7.1	34.7
2032	396	8.2	29.0
2033	285	9.1	21.4
Beyond 2033	333	10.0	34.0
Total	**5,444**	**4.5**	**383.1**

* Average remaining lease maturity in years.

Lease terms and rents are calculated over the residual term of the lease.

9.2. Overhead expenses

(in thousands of euros)	First-half 2024	First-half 2023
Income from property management, administration and other activities	6,478	6,258
Other income from services	5,789	4,794
Payroll expenses	(15,374)	(14,247)
Other external expenses	(19,935)	(20,605)
Overhead expenses	**(23,043)**	**(23,800)**

Overhead expenses fell by 3.2% year on year.

9.2.1 Income from property management, administration and other activities

This item totalled €6.5 million in first-half 2024, an increase of €0.2 million or 3.5% compared to the same year-ago period. This increase mainly reflects the rise in rebilled shopping centre management costs.

The "Income from property management, administration and other activities" caption is made up of rebilled centre management services, management fees for services provided to third parties and leasing fees.

9.2.2 Other income from services

"Other income from services" includes marketing services rebilled to retailers' associations and property managers, which were up €1.0 million.

9.2.3 Payroll expenses

Payroll expenses amounted to €15.4 million in first-half 2024, a €1.1 million (7.9%) rise on first-half 2023, mainly reflecting annual wage increases (2.5%), the rise in the average number of employees (up 2.5%) and a contractual severance payment of €0.4 million (2.7%).

9.2.4 Other external expenses

Other external expenses represented €19.9 million in first-half 2024, a year-on-year decrease of €0.7 million, or 3.2%. This slight decrease in this item reflects the Group's strong cost discipline.

Excluding payroll expenses, overhead expenses were down by €1.9 million thanks to savings on other external expenses and an increase in rebilled marketing services.

9.3. Depreciation, amortisation, provisions and impairment

(in thousands of euros)	First-half 2024	First-half 2023
Additions to depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,065)	(637)
Reversals from/additions to provisions for contingencies and charges and current assets	(77)	161
Additions to depreciation/amortisation of property, plant and equipment and intangible assets, and provisions	**(1,142)**	**(476)**

Depreciation, amortisation and impairment mainly concern software and fixtures and fittings in the Group's office buildings.

Net reversals of provisions for contingencies and charges mainly concern property disputes with tenants and impairment charged against current assets.

9.4. Other operating income and expenses

Other operating income and expenses chiefly comprise Galimmo acquisition costs for €6.1 million.

9.5. Gains and losses on disposals of investment properties and equity investments sold

Gains and losses on disposals of investment properties relate to the disposal of units in Châteauroux, Labège and Sannois.

10. 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 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 or SOCIMI regime in Spain, as well as for companies in Italy, is calculated under the conditions of ordinary tax law.

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 are 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:

- 100% of the profits from dividends received;
- 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.

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 30 June 2024 are 28% in Italy and 25% in Spain.

In France, the tax rate was 25%.

10.1. Income tax

(in thousands of euros)	First-half 2024	First-half 2023
Deferred tax	(1,447)	2,352
Current tax	2,599	(7,581)
Total tax benefit (expense)	**1,152**	**(5,229)**

Income tax represented a benefit of €1.2 million in first-half 2024, mainly reflecting a €2.6 million tax credit in Spain relating to 2023, obtained following a ruling by the French Constitutional Court on the increase in the limit on tax loss carryforwards.

In addition, deferred tax liabilities were recognised in respect of the change in the tax value of assets in Italy and Spain (as two companies are no longer covered by the SOCIMI regime).

10.2. Tax reconciliation

The reconciliation of the effective tax expense with the theoretical tax expense is as follows:

(in thousands of euros)	First-half 2024	First-half 2023
Consolidated net income	84,770	34,870
Income tax (benefit) expense	(1,152)	5,229
Share of net income of equity-accounted companies	(966)	(1,841)
Net income before taxes and excluding equity-accounted companies' net income	82,652	38,258
Standard tax rate applicable to the parent company	25.00%	25.00%
Theoretical income tax (expense) benefit	**(20,663)**	**(9,565)**
Tax exempt income resulting from the SIIC regime	16,976	1,539
Tax exempt income resulting from the SOCIMI regime	4,961	2,841
Temporary differences	897	-
Share of expenses on dividends	(27)	(27)
Permanent differences	(367)	(500)
Impact of difference in tax rates	(174)	(174)
Difference in earnings	2,381	1,922
Tax loss without deferred tax recognition	(2,832)	(1,265)
Effective tax (expense) benefit	**1,152**	**(5,229)**
Effective tax rate	**-1.39%**	**13.67%**

10.3. Current tax assets and liabilities

(in thousands of euros)	30 June 2024	31 Dec. 2023
Tax receivables	3,222	1,376
Total tax assets	**3,222**	**1,376**
Tax liabilities – current	(81)	854
Liabilities related to tax consolidation	9	10
Total tax liabilities	**(71)**	**864**

At 30 June 2024, tax receivables included €2.6 million in tax credits for Spain.

10.4. Deferred tax assets and liabilities

(in thousands of euros)	31 Dec. 2023	Profit and loss impact	30 June 2024
Deferred tax assets	6,111	(944)	5,167
Deferred tax liabilities	(137,202)	(503)	(137,705)
Net balance of deferred tax	**(131,091)**	**(1,447)**	**(132,538)**
Breakdown of deferred tax by category			
Properties	(137,202)	(503)	(137,705)
Tax losses	5,694	(944)	4,750
Other items	418	-	418
Net balance of deferred tax	**(131,090)**	**(1,447)**	**(132,538)**

11. OFF-BALANCE SHEET COMMITMENTS AND ASSOCIATED RISKS

Off-balance sheet commitments

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.

11.1. Contingent liabilities

At 30 June 2024, there were no material disputes other than those already recognised in the consolidated financial statements.

11.2. Commitments received

COMMITMENTS RECEIVED

(in thousands of euros)	**30 June 2024**	**31 Dec. 2023**
Unused credit facilities	540,000	540,000
Commitments related to Group financing	**540,000**	**540,000**
Bank guarantees received from tenants	22,612	22,499
Commitments related to Group operating activities	**22,612**	**22,499**
Total commitments received	**562,612**	**562,499**

11.2.1 Undrawn committed credit facilities

The Group finances itself through equity and borrowings contracted almost entirely by the parent company. At 30 June 2024, the Group had one credit facility for €540 million, set up as part of its refinancing programme in October 2021. This facility was not drawn down during the period.

11.2.2 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.

11.3. Commitments given

COMMITMENTS GIVEN

(in thousands of euros)	**30 June 2024**	**31 Dec. 2023**
Compensation payments	1,102	1,102
Asset purchase commitments	27,006	
Rental guarantees and deposits	394	420
Commitments related to Group operating activities	**28,502**	**1,522**
Total commitments given	**27,400**	**1,522**

11.3.1 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.

11.3.2 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 30 June 2024, there were no works-related commitments.

11.3.3 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.

11.3.4 Compensation payments

In the case of unilateral sale commitments, the promisor must pay the seller compensation if it decides not to purchase the property.

11.3.5 Asset purchase commitments

In the course of its business, the Group undertakes to acquire assets off plan. At 30 June 2024, the Group had not made any undertakings to purchase assets off-plan.

On 28 June 2024, Carmila granted Primonial REIM France a put option to sell its entire 7% stake in Galimmo SCA, exercisable until 30 July 2024, for approximately €27 million (i.e., €11.93 per share).

11.3.6 Secured loans

Collateral pledged as part of the secured loan is €276 million.

11.4. 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.

12. 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.

On 30 June 2022, Carmila finalised the sale of a portfolio of six assets with Batipart and Atland Voisin via a joint venture, Magnirayas, in which Carmila holds a 20% minority stake.

13. COMPENSATION AND EMPLOYEE BENEFITS

13.1. Payroll expenses

See Note 9.2.3.

13.2. Headcount

At 30 June 2024, the Carmila Group had 238 employees, including 153 in France employed by its Almia Management subsidiary, 66 in Spain and 19 in Italy (excluding apprentices).

13.3. 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.).

13.3.1 Pension plans

At 31 December 2023, the Group applied the following main actuarial assumptions:

- Discount rate: 4.25% (versus 3.60% at 31 December 2022).
- Salary increase rate: 3.25% (versus 2.0% at 31 December 2022).

These assumptions remained unchanged at 30 June 2024.

13.3.2 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 ten 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 allocated in 2021 (plan 8) expired on 18 May 2024 and resulted in the allocation of 211,038 free shares to key employees and corporate officers.

The plans in effect at 30 June 2024, allocated in 2022, 2023 and 2024, were as follows:

- in 2022: a preference share plan was approved in May 2022 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-2024 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-2024;
- one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2024 versus a panel of comparable companies.

▪ in 2023: a free share plan was approved in May 2023 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-2025 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-2025;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2025 versus a panel of comparable companies.

▪ a new free share plan was approved in April 2024, 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-2026 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-2026;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2026 versus a panel of comparable companies.

The benefits allocated are recognised over the vesting period, as payroll expenses for €1,090 thousand against a corresponding increase in shareholders' equity of €908 thousand (offset in equity by the shares delivered during the period) and as accrued social security liabilities (20% payroll taxes) for €182 thousand.

Summary of the plans	Plan 8		Plan 9	
	FRANCE	OUTSIDE FRANCE	FRANCE	OUTSIDE FRANCE
Date of the General Meeting	18/05/2021		12/05/2022	
Date of allocation	18/05/2021		12/05/2022	
End of vesting period	18/05/2024		12/05/2025	
End of holding period	18/05/2024		12/05/2025	
Service condition	Service condition influences vesting		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		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**188 938**	**50 000**	**183 438**	**52 500**
Rights to shares cancelled/forfeited	(23 400)	(4 500)	(2 000)	(8 000)
Shares cancelled/achievement rate – Conversion into A shares				
Shares vested	(165 538)	(45 500)		
Shares outstanding at 31 December 2023	**0**	**0**	**181 438**	**44 500**

Summary of the plans	Plan 10		Plan 11	
	FRANCE	OUTSIDE FRANCE	FRANCE	OUTSIDE FRANCE
Date of the General Meeting	11/05/2023		24/04/2024	
Date of allocation	11/05/2023		24/04/2024	
End of vesting period	11/05/2026		26/04/2027	
End of holding period	11/05/2026		26/04/2027	
Service condition	Service condition influences vesting		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		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**188,848**	**50,000**	**200,748**	**41,500**
Shares cancelled/forfeited	(1,500)	(6,000)		
Shares cancelled/achievement rate – Conversion into A shares				
Shares vested				
Shares outstanding at 31 December 2023	**187,348**	**44,000**	**200,748**	**41,500**

Summary of the plans	Plan 10		Plan 11	
	FRANCE	OUTSIDE FRANCE	FRANCE	OUTSIDE FRANCE
Date of the General Meeting	11/05/2023		24/04/2024	
Date of allocation	11/05/2023		24/04/2024	
End of vesting period	11/05/2026		26/04/2027	
End of holding period	11/05/2026		26/04/2027	
Service condition	Service condition influences vesting		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		Change in NAV versus a panel Recurring EPS: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**188,848**	**50,000**	**200,748**	**41,500**
Shares cancelled/forfeited	(1,500)	(6,000)		
Shares cancelled/achievement rate – Conversion into A shares				
Shares vested				
Shares outstanding at 31 December 2023	**187,348**	**44,000**	**200,748**	**41,500**

14. ADDITIONAL INFORMATION

14.1. Subsequent events

On 1 July 2024, Carmila took control of Galimmo SCA through the acquisition of 93% of the company's shares.

The complementary locations of Carmila and Galimmo assets and their respective track records in asset management offer the opportunity to create a unique player in retail real estate in France.

Due to the proximity of the date on which control was acquired to the closing date of the 2024 interim financial statements, work on the initial recognition of the business combination had not been finalised at the date on which the Group's consolidated financial statements were published. As a result, certain information required by IFRS 3 on business combinations occurring between the reporting date and the closing date of the financial statements is not disclosed in these financial statements and will be provided in subsequent financial publications.

However, initial assessments of the fair value of the assets acquired and liabilities assumed suggest that the transaction will give rise to negative goodwill estimated at €158 million. This estimate will be confirmed within 12 months of the acquisition date.

The negative goodwill, reflecting the difference between the purchase price and the fair value of the net assets acquired, reflects the very specific situation of the simultaneous acquisition of Cora shops by Carrefour and shopping centres by Carmila, covering Galimmo SCA's entire portfolio and business in France.

The purchase price for the shares was €272 million, paid in full in cash. Total transaction costs incurred by the Group amounted to €6.1 million, recognised in the consolidated income statement at 30 June 2024 under other operating expenses. In the first half of 2024, the acquired scope generated net rental income of €20.7 million for attributable net income of €7.8 million.

15. LIST OF CONSOLIDATED COMPANIES

List of consolidated companies Consolidated companies	Country	% interest 30 June 2024	31 Dec. 2023	Change	% control 30 June 2024	31 Dec. 2023	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%	-
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%	-
Carmila Vitrolles	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%	-
Carmila Nantes	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Sartrouville	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%	-

List of consolidated companies Equity-accounted companies	Country	% interest 30 June 2024	31 Dec. 2023	Change	% control 30 June 2024	31 Dec. 2023	Change
As Cancelas	Spain	50.00%	50.00%	-	50.00%	50.00%	-
Carmila Thiene SRL	Italy	50.10%	50.10%	-	50.10%	50.10%	-
HDDB Holding	France	30.50%	30.50%	-	30.50%	30.50%	-
Magnirayas	France	20.00%	20.00%	-	20.00%	20.00%	-

KPMG S.A.
Tour Eqho - 2, avenue Gambetta – CS 60055
92066 Paris La Défense Cedex
France

S.A. au capital de 5 497 100 €
775 726 417 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Deloitte & Associés
6, place de la Pyramide
92908 Paris La Défense Cedex
France

S.A.S. au capital de 2 188 160 €
572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Carmila

Société Anonyme

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Statutory Auditors' Review Report on the Half-yearly Financial Information 2024

For the period from January 1st to June 30th, 2024

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25, rue d’Astorg 75008 Paris

Statutory Auditors’ Review Report on the Half-yearly Financial Information 2024

For the period from January 1st to June 30th, 2024

This is a free translation into English of the statutory auditors’ review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group’s half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Carmila, for the period from January 1st to June 30th, 2024,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

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II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on the July 24th, 2024

The Statutory Auditors

KPMG S.A.	Deloitte & Associés
French original signed by	French original signed by
Caroline Bruno-Diaz Partner	Emmanuel Proudhon Partner