2018 half-year results
30 July 2018
Key Highlights 2018
Carmila accelerated its transformation this semester

Agile teams at all levels of the organisation prepared to:

- anticipate new trends,
- support the retail sector which is constantly evolving,
- take benefit of new digital tools.

A local digital marketing built from inception to be scalable and which supports and strengthens actions of the company:

- **simple tools** elaborated at the headoffice...
- ... and deployed rapidly locally by teams and retailers themselves,
- ... which are **supporting the activity** at each stage,
- ... and **enhance results**.

Ability **to catch growth** generated thanks to a powerful mix of efficient activities:

- sector of activity mix,
- brand mix and retailers mix,
- geographical mix.
The acceleration of our local digital marketing strategy is exponential

Number of contacts added to the database

+36% / 6 months

An exponential speed-up thanks to scalability

Meet a need: tools and actions praised by retailers who acknowledge positive effects on their performance

300 actions / month

+50% vs 2017

2,000 Brands using the platform

X2 relative to Dec.2017

(*): Digital marketing tools proposed to retailers
(**): Platform gathering apps and services available for the centres or retailers
Turn the company towards the most performing activities (1/3)
Transform the activity mix towards most efficient activities

Serving new trends
- Medical sector
- Indoor sports and leisure
- Barber
- Pet shops
- Electronic cigarettes

Strengthening the food and drink offering

Letting extensions

New retail brands at Carmila

Changes in sectors of activity in Carmila’s portfolio* since January 2017

Personal equipment  
-2 pts

Services, catering, sports, ...  
+2 pts

(* Change in the share of each sector in annualised rents of the portfolio)
Turn the company towards the most performing activities (2/3)
Attract most performing brands and retailers who are developing their activity

Attract brands which are developing their activity and generating growing revenues

Work with the best regional master franchisees

- They have an in depth knowledge of the local clientele and its needs …
- … and are very efficient retailers.

Extension at Orléans Cap Saran
17 franchisees out of 34 new retailers
(Muy Mucho, Mango, Devred, Promod, Naf-Naf, Altermoove)

We put in touch franchisees and brand developers and provide them with shops
Turn the company towards the most performing activities (3/3)
Increase our exposure to Spain

- Outstanding results in Spain for 4 years
  - Gross asset value multiplied by 3.6x since April 2014
  - Financial occupancy rate up from 75.9% in April 2014 to 96.3% in June 2018

- A country experiencing a strongly dynamic activity
  - Expected GDP growth for 2018: +2.8% after two years >3%
  - Retailers’ revenues growth on a comparable basis*: +2.3% in 2017 and +2.4% in the first half of 2018

- Acquisition of 7 shopping centers in Spain this semester
  - Leaders in their local catchment area,
  - With a potential for value creation (organic growth, extensions and restructurings).
Relying on the foundations put in place over the past four years

<table>
<thead>
<tr>
<th>4 past years</th>
<th>First Half 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A fully renovated portfolio</strong></td>
<td>A fully renovated portfolio to enhance client satisfaction</td>
</tr>
<tr>
<td><strong>An innovating commercial strategy implemented by 5 complementary letting teams</strong></td>
<td>+3,000 leases signed Strengthening the local leadership</td>
</tr>
<tr>
<td><strong>A BtoBtoC differentiating digital marketing</strong></td>
<td>12 extensions opened</td>
</tr>
<tr>
<td><strong>An extension pipeline which strengthen the leadership of our sites</strong></td>
<td>4 extensions to be delivered in H2</td>
</tr>
<tr>
<td><strong>Value-creating acquisitions</strong></td>
<td>€2Bn of acquisitions since 2014</td>
</tr>
<tr>
<td><strong>Renovation of newly acquired assets launched</strong></td>
<td>300 operations / month (+50% vs 2017) Supporting key events for our centres and tenants</td>
</tr>
<tr>
<td><strong>8 shopping centres acquired in H1 2018 for a total amount of 394 M€</strong></td>
<td>Delivery of 3 extensions, including a major one in Orléans-Saran</td>
</tr>
</tbody>
</table>
This dynamic has a significant impact on Carmila’s performance

It is at the heart of all our activities and supports:

- our model,
- our results,
- and our outlook.

It reinforces our actions.
Enabling Carmila’s results for the first half of 2018 to grow strongly

Sustained **organic growth** in gross rental income

Recurring earnings**** strongly increasing...

... and NAV continuing to raise driven by organic growth, with the average portfolio capitalisation rate remaining stable

+2.9%*

+12.2%**

€27.96 per share

to €104.1 million

+1.8%*** over six months

(*) Growth in gross rental income on a like-for-like basis from 30 June 2017 to 30 June 2018

(**) Growth in EPRA recurring earnings between H1 2017 and H1 2018

(*** ) Growth in EPRA NAV

(****) EPRA earnings restated for non-recurring items during the period
Activity in the first half of 2018
The performances of the retailers in our centres demonstrated the resilience of our merchandising mix

Tenants sales change in Carmila shopping centers
First Half of 2018 vs First Half of 2017
Comparable perimeter
Our expertise: forming partnerships with successful retail brands and growing local retailers

Well established brands in our centres, developing their business with strong performances

- Sylvain Maronneau
  Developing its new brand rapidly: 5 shops + 2 add. ones under discussions

- Marie-Valérie Bureau
  16 shops + 2 under discussion

- Damien Vallard
  Entrepreneur and operator 9 restaurants opened in France including 3 with Carmila

Anchor brands strengthen our sites

- Sylvain Maronneau
  Developing its new brand rapidly: 5 shops + 2 add. ones under discussions

- Marie-Valérie Bureau
  16 shops + 2 under discussion

- Damien Vallard
  Entrepreneur and operator 9 restaurants opened in France including 3 with Carmila

And a lot more...

- Integrating the shopping centres of As Cancelas and Orléans Cap Saran
- Strengthening our Lyon Vaulx-en-Velin site, following Troyes La Chapelle and Reims Cernay
- Signing of seven stores in 6 months. Targeted revenues €500K/year

27 stores (+12*)
Chge. H1 2018 revenues** > 10%

24 stores (+4*)
Chge. H1 2018 revenues** > 4.5%

16 stores (+13*)
Chge. H1 2018 revenues** > 10%

Signing of seven stores in 6 months. Targeted revenues €500K/year

45 stores (+4*)
Chge. H1 2018 revenues** > 3.5%

39 stores (+5*)
Chge. H1 2018 revenues** > 3.0%

27 stores (+12*)
Chge. H1 2018 revenues** > 10%

36 stores
Chge. H1 2018 revenues** > 4.0%

33 stores
Chge. H1 2018 revenues** > 3.0%

24 stores (+4*)
Chge. H1 2018 revenues** > 4.5%

16 stores (+13*)
Chge. H1 2018 revenues** > 10%

45 stores (+4*)
Chge. H1 2018 revenues** > 3.5%

39 stores (+5*)
Chge. H1 2018 revenues** > 3.0%

27 stores (+12*)
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36 stores
Chge. H1 2018 revenues** > 4.0%

33 stores
Chge. H1 2018 revenues** > 3.0%

24 stores (+4*)
Chge. H1 2018 revenues** > 4.5%

16 stores (+13*)
Chge. H1 2018 revenues** > 10%

Signing of seven stores in 6 months. Targeted revenues €500K/year

(*) Growth in the number of stores in the Carmila portfolio on a 12-month sliding basis
(**) Growth in revenues in Carmila’s centres in France in the first half of 2018 compared with H1 2017 on a like-for-like basis
Growing activities, performing brands and efficient retailers in France

**New trends**

**Medical Sector**
- Medical center Sartrouville - €90K
- Dental center Reims Cernay - €25K
- 4 Pharmacy and parapharmacy - €440K

**Indoor sports and leisure**
- 3 Basic Fit - €409K
- Space Jump Besançon - €133K
- Happik Chambourcy - €60K
- L'appart Fitness St Herblain - €52K

**Barber**
- 8 La Barbe de Papa - €280K
- The Barber Company Evreux - €20K

**Petshop**
- 2 Maxi Zoo - €167K

**Catering**

Holly’s Diner Evreux - €78K
- 4 Columbus Café - €188K

**Electronic cigarettes**
- 11 CiGusto - €273K
- 5 VapAccess - €52K
- 2 Happesmoke - €27K

**New at Carmila:**
- Brut Butcher Grenoble St Egreve - €85K
- BPA Hippopotamus Evreux - €75K
- Pegast Biarritz BAB2 - €27K

*In the extensions:*
- KFC Athis Mons - €71K
- Waffle factory Nice Lingostière - €50K
- La pizza de Nico Perpignan Claire - €47K
- Créé ta crêpe Vannes - €21K

**Performing retailers**

**Sport:**
- Go Sport Bourg en Bresse - €185K
- 3 Courir - €218K

**Health & Beauty:**
- 7 Nocibé - €706K
- Sephora Calais - €185K
- Yves Rocher Le Mans - €56K

**Personal equipment:**
- 4 Promod - €413K
- Deichman Evreux - €125K
- 3 Petit Bateau - €219K
- Naf-Naf Calais - €97K
- 2 Mango - €201K
- Undiz St Brieuc - €87K
- Chaussea Brest - €84K

**Household goods:**
- Kiabi Roanne Mably - €202K
- Pandora Calais - €110K
- Bonobo Chambourcy - €86K

**New at Carmila:**
- Districenter Evreux - €160K
- Adidas Toulouse Labège - €85K
- 2 Imua - €68K
- Hunkemöller Calais - €66K
- GIFI Evreux - €347K

2018 half-year results
Growing activities, performing brands and efficient retailers in Spain

New trends

- **Medical sector**
  - 9 Centros Ideal (aesthetic) - €321K
  - Pharmacy Los Patios (Malaga) – €39K

- **Barber**
  - Carlos Conde Alcobendas (Madrid) – €28K
  - La Barbería Plasencia – €16K

- **Lawyers**
  - Arriaga y Asociados Los Patios (Malaga) – €34K

- **Electronic devices repair**
  - 3 Prink Iriparo – €106K

- **Electronic cigarettes**
  - Sapporet Fan (Mallorca) – €16K

Catering

- **La Tagliatella**
  - Fan – €125K

- **100 Montaditos**
  - As Cancelas – €21K

- **Taberna Lizarran**
  - Fan – €81K

- **Dunkin Coffee Fan** (Mallorca) – €65K

- **Bull’s Pizza Peñacastillo** – €64K

Performing retailers

- **Sport:**
  - 2 OTS - 82K€
  - 2 Mas Deporte – 64 K€

- **Health & Beauty:**
  - 3 D’uñas – 66 K€
  - Autres enseignes – 178 K€

- **Personal equipment:**
  - 3 Parfois – €117K
  - Kiabi As Cancelas (St J. de C.) – €301K
  - Koroshi El Mirador (Burgos) – €46K
  - Carpisa Fan (Mallorca) – €63K
  - Alvaro Moreno Holea (Huelva) – €56K
  - Suits Inc As Cancelas (St J. de C.) – €46K
  - Yamamay Gran Sur (Algeciras) – €30K
  - Salsa Fan (Mallorca) - €75K

- **House goods:**
  - Gifi Elche – €174K
  - 2 Bedland – €62K
  - Sofeeling Atalayas (Murcia) – €98K

- **New at Carmila :**
  - K-Tuin Fan (Mallorca) - €87K
The entire digital marketing mechanism supports the activity

*Example: FNAC opening in Douai*

### Platform

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>YouTube</td>
</tr>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td>Google AdWords</td>
</tr>
<tr>
<td>Google Display Network</td>
</tr>
</tbody>
</table>

### Formats

- **Google Display:** geolocated post
- **Preview of a Google ad with illustration and text**
- **Facebook Ads**

### Competitions

In-mall information point with customisation of the centre’s tools for FNAC and digital information point: Facebook, email teasing, D-7, D-day, D+1, etc.

### Impact on the shopping centre

- **+23.4%**
  - Number of visitors D-day
- **+1.5pts**
  - Footfall versus CNCC average
- **+35%**
  - Web traffic since opening

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**2018 half-year results**

- **345,948 posts**
- **85,264 persons concerned**
- **3,575 store visits**
- **1,900 euros**
- **0.53 €/customer**

- **2.5 million posts**
- **5,410 clicks**
- **1,248 store visits**
- **1,300 euros**
- **1.04 €/customer**

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“Thanks to Carmila for all the work done and the professionalism” (person in charge)
The enrichment of the B2C database is accelerating thanks to the installation of on-site collection devices

Multi-format and omnichannel collection devices...

- **200** gaming devices deployed over France
- **450** Players / day / centre
- **100%** customisable locally

**SAAS device**
Diffusion Manager

- 80 local access in shopping centers
- Admin access headquarter
- Synchronisation Webservices with our database
- Controlling contents of 200 devices

**Wifi ++**
Data Carrefour

- 100% of emails verified before registration
- **100%** RGDP compliant

**Since 2017**

...for enhanced results

- **94%** opt-in vs 30% in 2017
- **+400k** geolocated points of contact
- **100%** of emails verified before registration
- **1 500 000** in 2018
The strengthening of the digital marketing system is spreading on the field and drives the transformation

- **X 5**
  - The number of times our centres have been showcased on Google

- **24 million**
  - Reaches**

- **300 actions / month**
  - +50% / 2017

- **2,000**
  - Brands using the services
  - X2 vs Dec. 2017

- **4.5 mn/6 months**
  - visits
  - +700 000 vs n-1

- **1.5 million**
  - contact points*
  - +35% vs Dec. 2017

- **1,200**
  - Local digital campaigns

- **1,660**
  - Pass offers available
  - +20% / 2017

(*) Means of contacting clients: e-mail address, cellphone number, etc.
(**) Number of de publications * number of people seeing the message

2018 half-year results
All these actions reinforce the activity and strengthen organic growth

**Organic growth of rental income** 2.9%
- +2.5%
- +4.4%
- +1.0%

**Reversion on renewals** +9.2%
- +11.5%
- +6.9%
- +1.2%
Deliveries from the pipeline continue, with in particular the opening of the extension of Cap Saran (Orléans)
The biggest retail park creation adjoining an existing site in 2018 in France

The extension
+29,000 sq.m.
+34 mid-size stores
+€3.5 million in net rental income
An investment of €43.5 million
Return of 7.6%

The shopping centre after extension
85 stores and mid-size stores
€7.2 million in rents
€120 million in GAV

BREEAM certified “Very good” in design phase
The opening of the Cap Saran extension is supported by a comprehensive digital system to boost the centre’s reputation in its enlarged catchment area.
Deliveries to be implemented this year reach high rates of pre-letting

<table>
<thead>
<tr>
<th>Deliveries 2018 extensions/restructurings</th>
<th>Rate of pre-letting*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap Saran</td>
<td>100%</td>
</tr>
<tr>
<td>Douai</td>
<td>76%</td>
</tr>
<tr>
<td>Hérouville</td>
<td>69%</td>
</tr>
<tr>
<td>Besançon Chalezeule</td>
<td>98%</td>
</tr>
<tr>
<td>Évreux (phase 2)</td>
<td>96%***</td>
</tr>
<tr>
<td>Athis-Mons</td>
<td>96%</td>
</tr>
<tr>
<td>Los Patios</td>
<td>94%</td>
</tr>
</tbody>
</table>

64,000 additional sq.m.**

€10.4 million in potential annual NRI***

Additional rents/2018 €3.8 million

(*) Annual rent secured to date/Total forecasted rents in the budget
(**) Cumulative letting rate phases 1 and 2

(*** Cumulative letting rate phases 1 and 2
After the deliveries of the first half of 2018, 28 projects remain in the pipeline, for a total of €1.49 billion.
Carmila’s activity in Spain: a strong growth dynamic

The value of the portfolio at 30 June 2018 has been multiplied by x3.6 since its creation in April 2014 thanks to acquisitions and strong organic growth (CAGR +14%).

Strong improvement in the financial occupancy rate, from 75.9% in April 2014 to 96.3% in June 2018.

### Carmila’s Activity in Spain: 2018 Half-Year Results

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2014</td>
<td>Acquisitions of Holea (Huelva), Talavera (Toledo), As Cancelas (St Juan de C. - 50%) from Carrefour Property</td>
</tr>
<tr>
<td>August 2016</td>
<td>Acquisition of Montigala (Barcelona), Burgos and Atalayas (Murcia) from Grupo Lar</td>
</tr>
<tr>
<td>December 2016</td>
<td>Acquisition of FAN (Palma de Mallorca)</td>
</tr>
<tr>
<td>February 2018</td>
<td>Acquisition of Gran Via de Hortaleza (Madrid) from Klépierre</td>
</tr>
<tr>
<td>May 2018</td>
<td>Acquisition of a portfolio of six shopping centers from the Pradera fund</td>
</tr>
</tbody>
</table>

### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>April 2014</th>
<th>June 2018</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># sites</strong></td>
<td>63</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td><em><em>GAV</em>: €m/Growth vs. N-1</em>*</td>
<td>€380 million</td>
<td>€1,377 million / +22%</td>
<td>+36%</td>
</tr>
<tr>
<td><strong>Growth in GAV on a like-for-like basis</strong></td>
<td></td>
<td></td>
<td>+14%</td>
</tr>
<tr>
<td><strong>Gross rental income</strong></td>
<td>€36.8 million</td>
<td>€94.2 million</td>
<td>+25%</td>
</tr>
<tr>
<td><strong>Appraisers’ average capitalisation rate</strong></td>
<td>10.0%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Occupancy Rate</strong></td>
<td>75.9%</td>
<td>96.3%</td>
<td></td>
</tr>
<tr>
<td><em><em>% GAV</em>: Carmila</em>*</td>
<td>14%</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

(*) Gross asset value: Appraisal value of investment properties, including transfer taxes
Based on the strong performance of the activity in Spain, Carmila consolidates its position there with the acquisition of six shopping centres after Gran Vía de Hortaleza in Madrid, acquired in February 2018.

6 shopping centres adjoining Carrefour hypermarkets leaders in their catchment areas:

- €182 million in capital expenditure
- +€12 million in annual net rents
- +256 shops and mid-size stores
- +56,900 sq.m.

Potential for value creation through:

- optimisation of the merchandising mix,
- the increase in the occupancy rate (current average rate of the portfolio is 95%*),
- restructuring and extension plans on three sites.

(*) Average financial occupancy rate of the portfolio of six assets.
A few weeks after its acquisition, the Marseille Vitrolles shopping centre had the entire B2B2C marketing arrangements in place

<table>
<thead>
<tr>
<th>2018 half-year results</th>
</tr>
</thead>
<tbody>
<tr>
<td>+80% visits to website *</td>
</tr>
<tr>
<td>Contact database optimised and terminals installed</td>
</tr>
<tr>
<td>32 actions carried out for retailers</td>
</tr>
<tr>
<td>35 active Nestor accounts</td>
</tr>
<tr>
<td>28 Premium Offers for Carte Pass holders</td>
</tr>
</tbody>
</table>

**Columbus – June 2018**

**Context**
Opening of the Columbus shop in Vitrolles

**Arrangements**
- Communication in mall and online
- Competition-type games on the Columbus-branded terminals in the centre

**Results**
Top 10 France since opening

“We’re very happy with the support deployed for our arrival”

**Marionnaud – May 2018**

**Context**
On the occasion of Mothers’ Day, promotion of exclusive products and make-up sessions offered

**Arrangements**
- Sponsored Facebook post
- Showcasing of products and news on the centre’s website
- Stand placed in the shopping mall

**Results**
+22% in revenues for the week

“We’re happy about the visibility we were given in an essential period for us!”

**La Casa – May 2018**

**Context**
On the occasion of Mothers’ Day, free lunch for mothers during the week-end

**Arrangements**
- Communication in mall and online
- Competition-type games on the Columbus-branded terminals in the centre

**Results**
- Top 10 France since opening
- +85% on Saturday revenues vs n-1
- x2 Sunday revenues vs Sunday average

“Very happy with the buzz around the restaurant and the financial benefits”

(*) Based on Klépierre historical data. September-November 2017 compared with March-May 2018
2018 half-year results
A half-year of strong growth in gross rental income

Gross rental income

*In Euro million*

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rental income</td>
<td>146.8</td>
<td>166.9</td>
</tr>
</tbody>
</table>

(+13.7%)

Organic growth in gross rental income

+2.9%

**Growth in gross rental income**

H1 2018

+13.7%/+€20.1 million

- Organic growth
- Extensions delivered
- Acquisitions
- Other effects*

- 167 renewals and 205 new leases signed: an average reversion rate of 9.2%
- Average occupancy rate for the period up on that of H1 2017
- Specialty leasing up by +24.5% to €4.7M
- +1.1 point due to indexation

Acquisitions in 2018: +€5.7M
- Marseille Vitrolles
- Gran Vía de Hortaleza (Madrid)
- Spanish portfolio of six assets

Extensions: +€6.8M
- Extensions delivered in 2017: +€5.5M
- Extensions delivered in 2018: +€1.3M

(*) Essentially inclusion of gross rental income of Cardety from 1 June 2017
Ratio of NRI/GRI improved by 1.6 pp
Net rental income up by +15.7%

Margin between NRI and GRI up by 1.6 pp, mainly due to
- an improvement in the quality of the portfolio of tenants and the rate of recovery of receivables;
- an improvement in the rate of reinvoicing of rental expenses thanks to a rising average occupancy rate between H1 2017 and H1 2018;
- lessor charges growing at a slower rate than rents.
EBITDA, restated for exceptional items, up by +13.4%

Reconciliation of GRI to EBITDA

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI</td>
<td>146.8</td>
<td>166.9</td>
</tr>
<tr>
<td>Property Expenses</td>
<td>(12.8)</td>
<td>(11.9)</td>
</tr>
<tr>
<td>Net rental income</td>
<td>134.0</td>
<td>155.0</td>
</tr>
<tr>
<td>G&amp;A costs</td>
<td>(24.8)</td>
<td>(25.3)</td>
</tr>
<tr>
<td>Other operating income &amp; expense</td>
<td>(1.3)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Income/Associates</td>
<td>0.7</td>
<td>1.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>108.6</td>
<td>130.3</td>
</tr>
<tr>
<td>Adjustments for non-recurring items</td>
<td>6.3 *</td>
<td>0.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>114.9</td>
<td>130.3</td>
</tr>
</tbody>
</table>

G&A costs for the first half of 2018 were in line with our objective of stabilising them at a level close to €50 million per year.

G&A costs and other operating income and expense

(*) Costs linked to the merger between Carmila SAS and Cardety on 12 June 2017
Recurring earnings* up by +12.2%

From EBITDA to Recurring EPRA Earnings

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>114.9</td>
<td>130.3</td>
</tr>
<tr>
<td>Cost of debt</td>
<td>(24.8)</td>
<td>(25.3)</td>
</tr>
<tr>
<td>Other financial income and expense</td>
<td>(0.5)</td>
<td>(5.5)</td>
</tr>
<tr>
<td>Current Tax</td>
<td>(0.2)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Adjustment for non-recurring and non-cash items</td>
<td>3.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Recurring earnings*</td>
<td>92.7</td>
<td>104.1</td>
</tr>
</tbody>
</table>

Cost of debt
Restated for non-cash items (€3.7M in H1 2018 compared with €3.5M in H1 2017), the cost of debt was stable at €21.6M compared with €21.3M in H1 2017.

Other financial income and expenses
Restated for the non-cash items, other financial income and expenses amounted to -€1.7M compared with -€0.5M in 2017 due to adjustments of commissions in 2017.

Includes non-cash charges in 2018 for a total of -€3.7M including in particular the IFRS 9 expense and an adjustment to the fair value of financial investments.

Other restated non-cash and non-recurring items
- Issuance fees on debt issued paid in 2018: -€2.4 million
- Other non-recurring expenses in 2018: -€0.7 million

(*) EPRA earnings adjusted for non-recurring items during the period
A solid financial structure at 30 June 2018

Debt maturity
6.1 years

LTV ratio*
33.8%

Interest coverage ratio**
5.1x

Other Highlights of the first half of the year

- Issue in February 2018 of €350 million in bonds at 10 years – Coupon 2.125%
- Average cost of borrowings in H1 2018: 1.94%
- Stable liquidity reserves
- One-year postponement of maturity of bank borrowings

S&P confirmed Carmila’s BBB rating and raised its outlook from stable to positive

Debt repayment schedule

Gross debt***: €2.4 billion

Liquidity and back-up lines available at 30 June 2018

(*) Net borrowings in relation to the appraised value of the assets including transfer taxes
(**) EBITDA/ cost of borrowing over 12 months – Value H1 2018
(***) Gross debt excluding accrued interest, issuance expenses and derivative instruments
Portfolio and NAV
Portfolio valued at €6.345 billion at 30 June 2018

<table>
<thead>
<tr>
<th># assets</th>
<th>GAV incl. taxes**</th>
<th>Gross leasable area</th>
<th>Annualised rents</th>
<th>Average cap. rate***</th>
<th>Average net initial yield****</th>
</tr>
</thead>
<tbody>
<tr>
<td>214</td>
<td>€6.345 billion</td>
<td>1.5 million sq.m.</td>
<td>€346 million</td>
<td>5.7%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Change in H1 2018

- # assets: +8
- GAV incl. taxes*: +€0.539 billion
- Gross leasable area: +0.1 million sq.m.
- Annualised rents: +€31 million
- Average cap. rate***: stable
- Average net initial yield****: stable

72%*  
€4,597 million

22%*  
€1,377 million

6%*  
€371 million

# assets  
129

Reminder April 2014 values

- 2 067 M€ / 78%
- 380 M€ / 14%
- 221 M€ / 8%

(*) % of total GAV including transfer taxes at 30 June 2018  
(**) Gross Asset Value of the portfolio including transfer taxes and the valuation of the extensions to be delivered in 2018 (margins and works in progress recognised in property) and 2018 acquisitions at acquisition price  
(***) Average capitalisation rate of the portfolio based on external appraisal values and 2018 acquisitions  
(****) Average yield on occupied lots
Portfolio value up +9.3% (+€539 million) since 31 December 2017, including 1.3 pp growth on a like-for-like basis

GAV Including Transfer Taxes
€6,345 million / +9.3%

- €4,597 million  +6.3%  5.5%
- €1,377 million  +22.1%  6.4%
- €371 million  +4.7%  6.1%

LfL Growth +1.3%

GAV ITT 31/12/17  5,806
Extensions  66
Acquisitions  399
Like-for-Like growth  75
GAV ITT 30/06/18  6,345
NAV up by +1.8% over 6 months to €27.96 per share after the payment of the balance of 2017 dividend for €0.75 per share. Hence, total return over the period was 4.5% in 6 months.
Outlook for 2018
2018: a year of exception

The past half-year saw an acceleration in the transformation and a ramp-up of the business model, as well as growth

Our objective in 2018:

A solid double-digit growth in recurring earnings