26 July 2019

2019 Half-year results

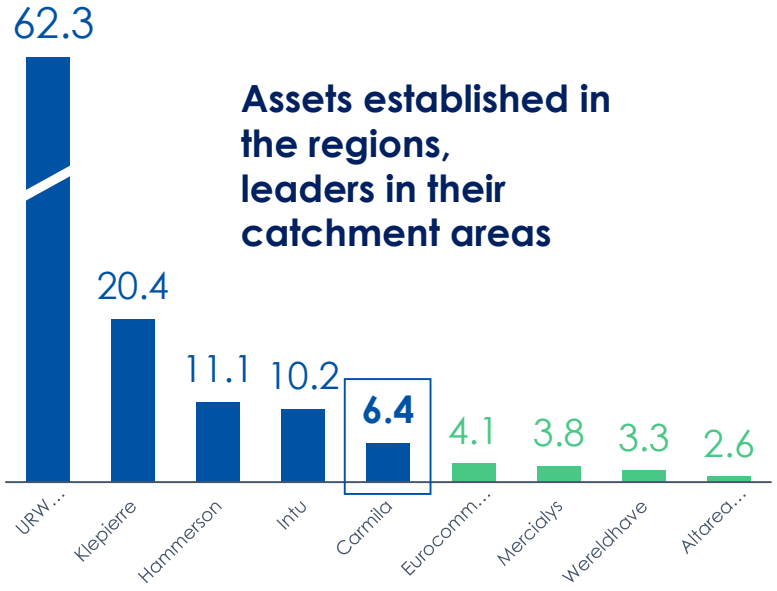
CARMILA

Moving forward with our strategy by incorporating the new challenges of our business

In five years since its inception, Carmila became a new specialised and skilled player in commercial real estate

A **major shopping centre player** in Europe

Gross asset value, including transfer taxes, 31/12/18 (in € billion)



Assets established in the regions, leaders in their catchment areas

A **retailer DNA** close to tenants…

10 regions

(France+Spain+Italy)

Letting and asset management teams close to retailers

700+/month

Local digital marketing operations in partnership with retailers

50+/year

Smart shopping meetings with retailers

Shopping centres **deeply rooted in their region**

Customer satisfaction rate

90%*

Retail destination for over 30 years

(*) Source: studies conducted by Carmila on 70 sites in France

A resilient business

A **powerful anchor** in food retailing

Solid revenue for retailers

Growing cashflows

€12,000 including VAT/m²

Average food revenue of Carrefour hypermarkets

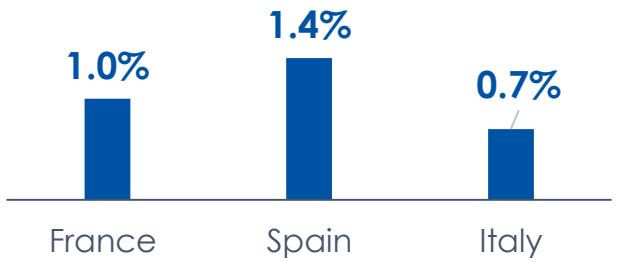
Market share of hypermarkets in food retailing in France

45%*

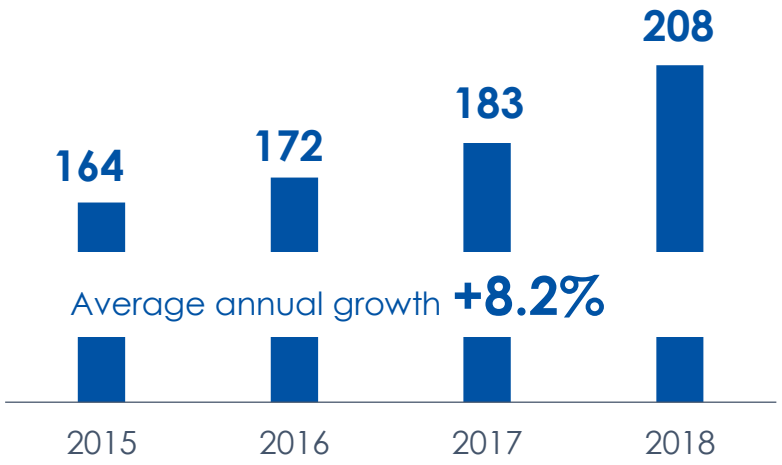
2.5/ month

Average number of site visits

In the first half of 2019



Growth in recurring earnings (in € millions)



(*) Source: Kantar

A skilled, experienced, entrepreneurial and innovative team

Operational excellence of skilled teams, experts in various retail businesses

Retailers' levels of trust in Carmila

85%*

A strong retailer spirit recognised by stakeholders

Involved in the local area

Retailers

Innovation to support retailer performance and growth

Entrepreneurship to develop growth drivers

(*) Source: Study conducted by Carmila (June 2019)

A portfolio of leading centres , well-established in their catchment areas

- Easy
- Convenient
- Nearby

15
Regional Shopping Centres (**)
80 to 150 stores

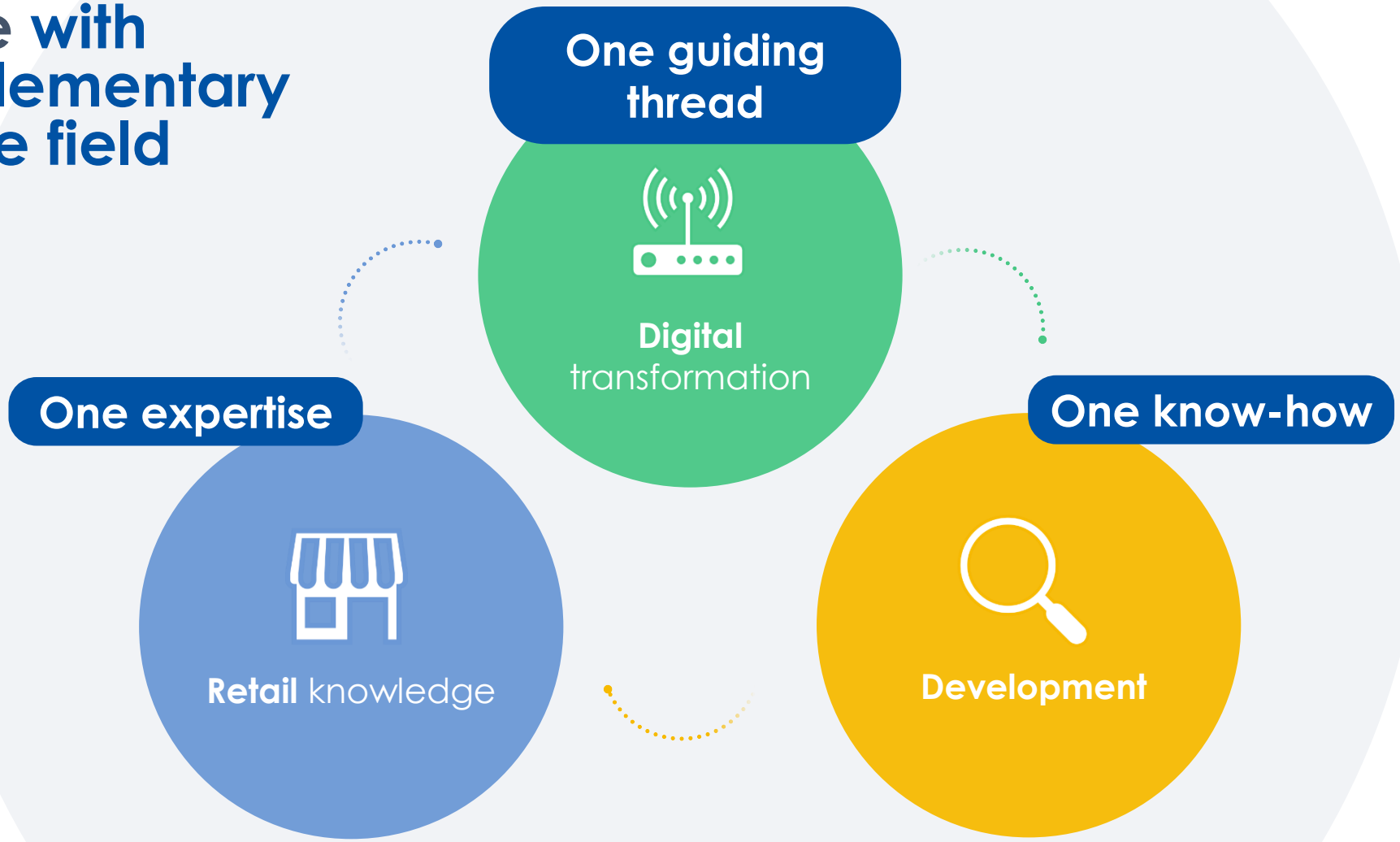
124
Local Centres(**)

87%
are leader or co-leader sites(*)

76
Large Shopping Centres(**)
40 to 79 stores

(*) Leader: Leading shopping centre in its area by number of retail units (codata) or shopping centre with over 80 retail units in France and 60 in Spain and Italy. Co-leader: non-leading shopping centre adjacent to an hypermarket that is leader in its retailing area in terms of revenue (Nielsen) or with revenue in excess of €100 million in France and €60 million in Spain and Italy
(**) CNCC classification

An objective to enrich our structure with a complementary expertise field



The roadmap: focusing on continuity by reinforcing Carmila's business-model strengths and incorporating new challenges

- Retail transformation
- Multi-channel approach
- Mixed use
- CSR

An **expert**, **dynamic** and **business-minded** team

Proximity, local presence, leadership, involvement in the local area

A **yield** and **growth-oriented** business model

Partnership with Carrefour

- Innovation
- Customer satisfactio
- High standards

Our missions

Acting as a catalyst for retail transformation

Carrying retailers through their physical and digital transformation

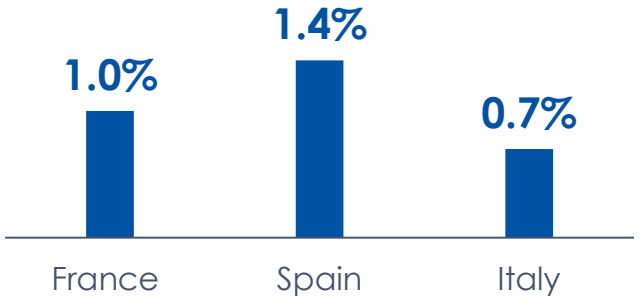
Offering our customers easy access to high quality local services and retail stores

CHAPTER 2

Business activity and results for the first half of 2019

The resilience of our business model and the robustness of our cash-flows are reflected in our main business indicators for the half-year

Tenant revenues rose over the half-year



Organic growth remains **strong…**

+3.1%
Growth in net rental income at constant scope*

… and **cashflows** have **increased significantly** in line with our objective

Recurring earnings per share
(first half of 2019)

€0.82

+6.2%

1st half of 2019
vs 1st half of 2018

(*) On a comparable scope between the first half of 2018 and the first half of 2019 excluding acquisitions and deliveries of extensions in 2018

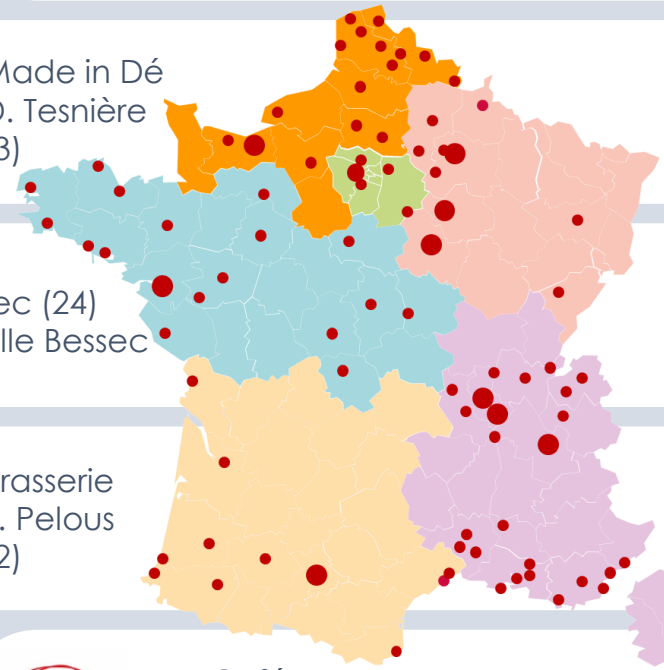
Letting dynamic is key: focusing on local players...

Shaga'Lou (3)
J. Bureau et
G. Cariot

Au Saveurs
retrouvées
P. Bouché (2)

Made in Dé
D. Tesnière
(3)

Restaurar
Red
Beef (4)



Bessec (24)
Famille Bessec

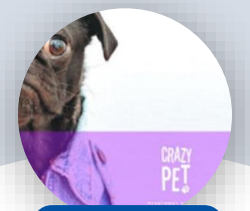
Hylton
Chaussures
M. Emekian
(13)

Brasserie
F. Pelous
(2)

Alive
(10)

Les Cafés
Etienne V.
Rieutort (10)

Bistrot Niçois (2)
J. Oberlaender



Crazy Pet

Manolo Bakes

El Gourmet
del Vapor

La Grosera

So pretty

Body Secrets

Koupas

… and welcoming new locally differentiating retailers

Cité Europe - Calais
Jackets

OPA – Orléans | BAB2 - Anglet
Jewelery

OPA - Orléans Pau Lescar
Delicatessen

Bay 2 Collégien (Ile-de-France)
Women's shoes

Rennes Cesson
Salad bar

Nice Lingostière
Ice cream

Rennes Cesson
Organic cosmetics

Nice Lingostière
Jeans

Transforming our assets to create value and improve our portfolio's resilience: the example of Nevers-Marzy

Transforming our assets to create value and improve our portfolio's resilience: the example of Nevers-Marzy

On acquisition

- **Leading** site in its catchment area, fully occupied
- Decathlon's shop size not efficient

Improved merchandising mix

- Transfer of Decathlon to the car park on over **3,250 m²** and redevelopment of the former Decathlon area in the shopping centre
- **Renovation** of the site

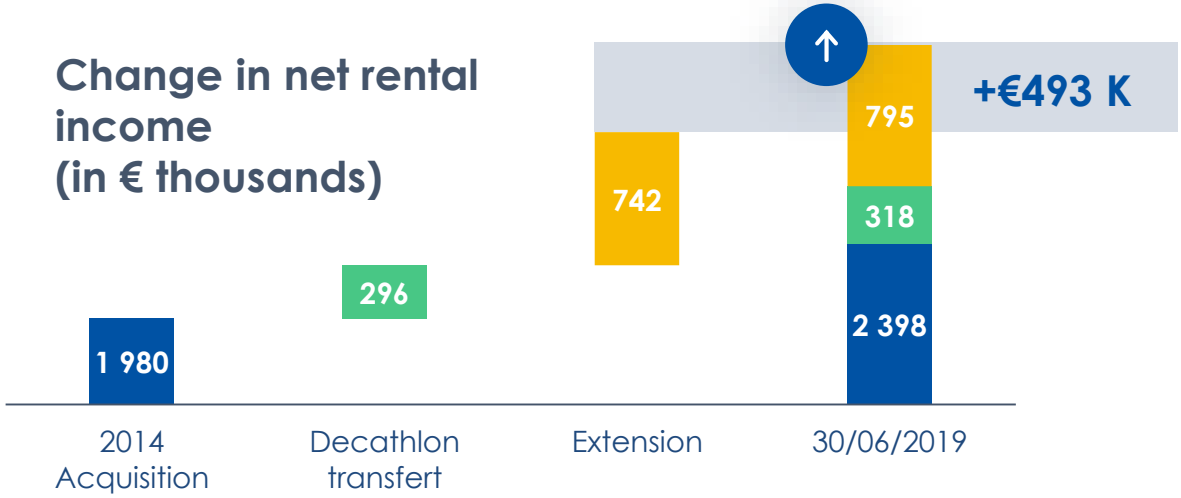
Extension

- A **7,150 m² extension improved the offering** (Maison du Monde, C&A, Orchestra, Maxi Zo, Babou)

Change in expert valuation

Capitalisation rate 6,41% | Investment **€15.6 million** | **Capitalisation rate 5,66%**

Change in net rental income (in € thousands)



A very resilient portfolio supported by the expertise of specialist teams

Retailers experiencing roughpatches
(liquidation, financial restructuring, etc...)

2014	2015	2016	2018	2019
L.M.V la Mode est à vous lmv.fr	DPM Du Plaisir à la Mode	Jennyfer	Brice	du Bruit dans la Cuisine
vivarte	La Grande Récré	MS mode	Jules	OLLYGAN FRANCE
		Mim www.mim.fr		

Impact as at 30 June 2019 on the Carmila portfolio

15/180

vacant units / total concerned units

i.e. **€0.9 M/€17.8 M**
Concerned rent

5%

An increasingly strong local digital presence to support customers

Being present when the customer reaches for shopping information near the centre

+20% vs n-1* — Website visits (5.4 million)

x4 vs n-1* — Searches on Google My Business (30M)

Build loyalty and drive in-mall

+35% vs Dec 2018 — Opt-in contacts (2.64 million)

x2.2 vs n-1* — In-mall players (585,419)

Being active in our local communities

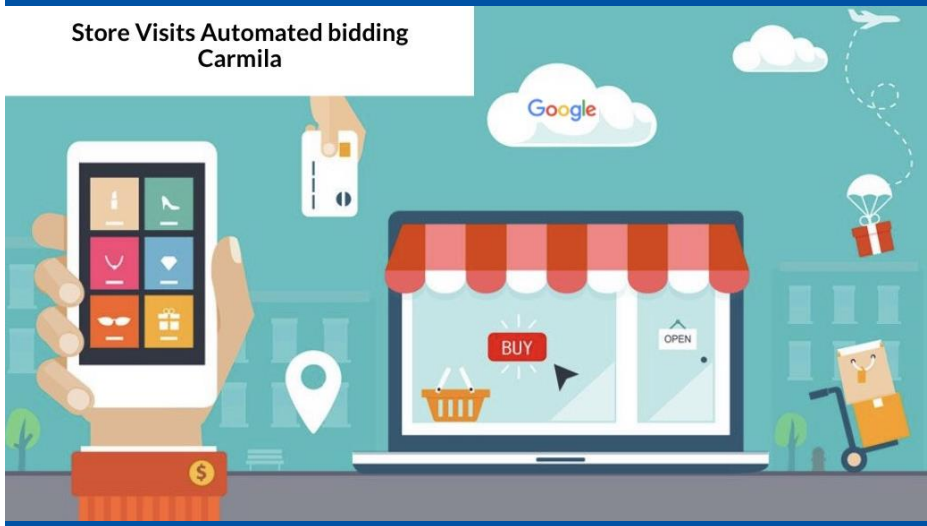
+60% vs n-1* — Reached people**(40M)

x4 vs Dec 2018 — Local instagrammers (20 influencers)

(*) 1st half 2018
(**) Number of people who saw Facebook posts of the shopping centres, not unduplicated

Google x CARMILA

1st Beta tester in France for the Google AI drive-to-store



Carmila, highly innovative local drive-to-store solutions

Efficient partnerships with retailers

Carmila's local marketing experts spread retailers' news and activities within the centre's catchment area to generate additional business

x2,5

Local and multi-location operations carried out on behalf of retailers
(4,695 operations in the 1st half of 2019)

+8pts

outperformance vs the national Jeff de Bruges network*

Jeff de Bruges
NATURELLEMENT CHOCOLAT

Co-branded operations for retailers across multiple locations during their peak sales times

Le kiosque par CARMILA

Increasing number of marketing initiatives to spread our retailers' news locally

Retailers at Carmila receiving long-term support have, on average, outperformed their network **

+7.8pts
of revenue outperformance**

(*)Sources: Jeff de Bruges figures over the 3 Easter-period weeks for 13 stores that took part in the promotion
(**) Sample of 49 retailers that took part in at least 4 Kiosque actions - H1 2019, vs stores of the same brand at Carmila

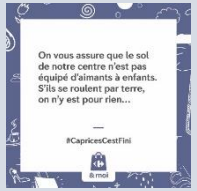
Highlight the uniqueness of Carmila centres with a disruptive *Brand Content*

Increasing customer engagement and drive-to-store by creating a relation with our local communities …

"Retailer portrait" videos, *humanising the customer - retailer relationship*

Video ***"The Perfect Match",*** *all the gifts you need for Valentine's Day are in your shopping centre*

"Snack-content" production



… through national partnerships with retailers during their peak sales times

"Easter chocolate blind tasting" *video filmed in-store and starring customers*

"Beards: for or against" video, *micro-mall in the centre to celebrate Fathers' Day*

Jeff de Bruges
NATURELLEMENT CHOCOLAT

LA BARBE DE PAPA
COIFFEUR & BARBIER FRANÇAIS

KIKO
MAKE UP MILANO

Histoire d'Or

A much stronger community engagement: non-promotional messages*

The preferred media is video (20% of posted content)

(*) The commitment rate is up to 7 times higher than the rate for traditional posts

Strong progress this half-year in CSR

Introduction of a partnership with **Longevity** to meet our certification target

13 more shopping centres received BREEAM certification in the 1st half of 2019

673 CSR operations organised in the centres, +49% compared to 1st half of 2018

(*) Certified assets appraisal value including transfer taxes / Total Gross asset value including transfer taxes of the portfolio.

The side business brings dynamism to our offering, and begins to materialize in terms of financial performance

LouWifi

high performance, **low-voltage Wi-fi network** specialist

Capitalising on the expertise developed on the **low voltage networks** while implementing our **digital strategy**

Forecast contribution to 2019 EBITDA:

Between **€1.2 million**

and **€1.4 million**

LOU5G

Mobile telecom towers subsidiary

Taking advantage and **enhancing a well-spread portfolio of 215 sites** and the **partnership with Carrefour**

- 3 French télecom operators out of 4 signed
- 4th operator in negotiations
- End of 2019, 80/85 leases signed

Forecast rental income signed at the end of 2019*:

€1.2 million

Carmila Ventures

Equity stakes in **dynamic retailers**, a **growth driver** for 2019

Number of stores opened

30

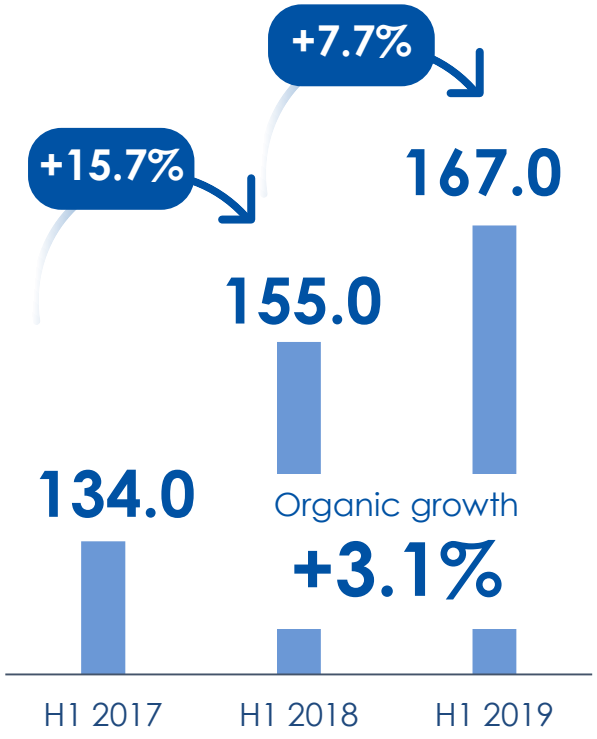
€0,9M

Rents signed at the end of May 2019

(*) subject to conditions precedent

Improving quality and leadership of our assets to generate value-creating growth

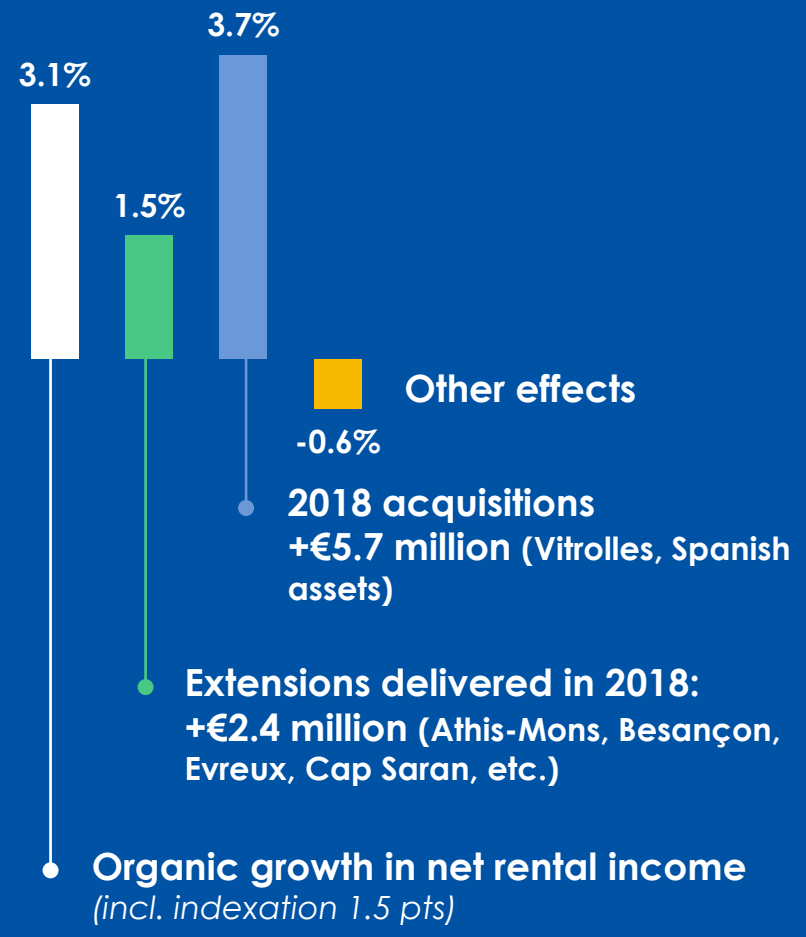
Net rental income in € million



	Organic growth	Reversion /renewals
	+2.3%	+7.3%
	+5.4%	+5.2%
	+3.3%	

Growth in net rental income

H1 2019 vs H1 2018



(*) including strategic vacancy

EBITDA is up +8.0%

Reconciliation of Gross rental income with EBITDA* in € million

	H1 2018	H1 2019
Gross rental income	166.9	178.9
Real estate expenses	-11.9	-12.0
Net rental income	155.0	167.0
Operating expenses	-25.3	-27.5
Other operating Inc. and exp.	-0.7	0.1
Equity associates	1.3	1.3
EBITDA	130,3	140.8
Adjustments for non-recurring items	0.0	0,0
Adjusted EBITDA	130.3	140.8

+8,0%

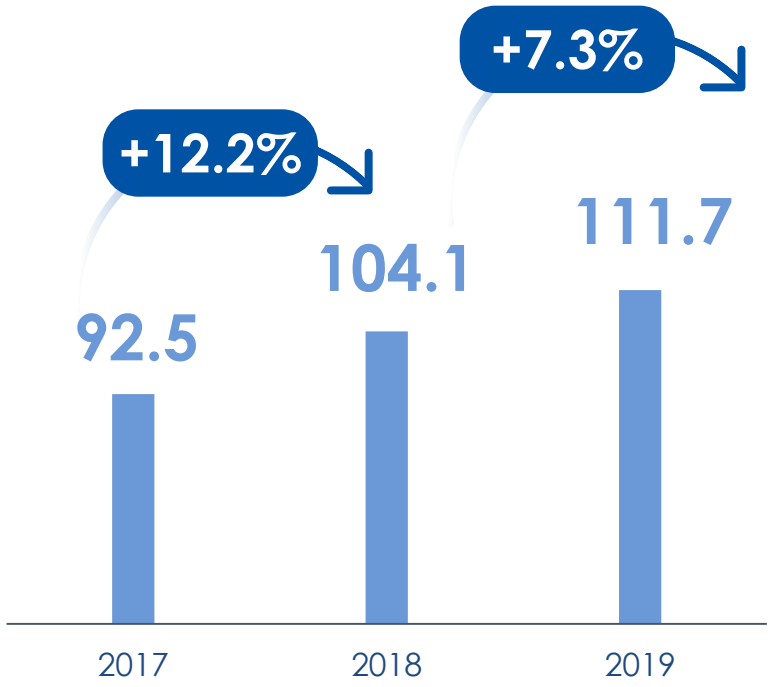
Outcome for 2019:

Annual overhead costs base stable compared with 2018, i.e. within a range between **€50.0 million and €52.0 million**

(*) Data from the first half

Increase in cashflows remains strong and is in line with forecasts

Net recurring earnings* in € million



Recurring Earnings per share

€0.82/share

+6.2%

In line with our target for 2019

(*) Half-year data – First half of each year.

CHAPTER 3

Valuation and portfolio

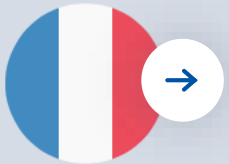
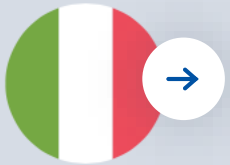
Appraisers acted a limited drop in market values across the French portfolio

€6,377m

Gross asset value **-0.4%** /6 months

Transfer taxes incl.

Change at comparable scope **-1.1%** /6 months

	€4,561m	-1.9%	**+1%** Rent effect **-3%** cap. rate effect **+1%** Asset Mgmt effect **-4%** market effect
	€1,462m	+0.8%	
	€354m	Stable	

(*) Excluding extensions delivered in 2018 and 2018 acquisitions

Values supported by our asset management actions and prudent valuation assumptions

Average capitalisation rate*	5.91%	+14bps	Carmila's asset management impact		Market impact
→	5.70%	+16bps	-5bps	Restructuring and deliveries of extensions (Calais Coquelles, Evreux, Nevers, Saran, Athis-Mons, Bourg-en-Bresse)	+22bps
→	6.47%	+7bps	+2bps	Increase in rental values of vacant properties in line with relettings signed	+5bps
→	6.16%	stable			

- Sustainable rents
- Realistic rental values of vacant properties
- Recent portfolio renovation
- Reasonable occupancy cost ratio

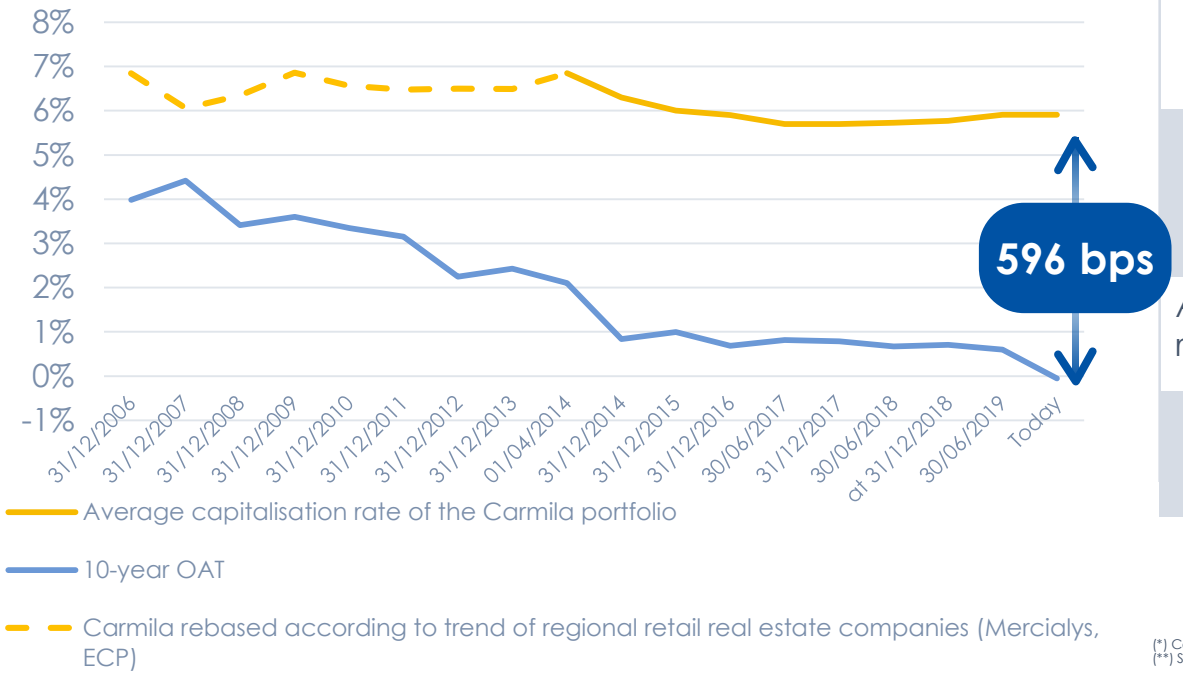
(*) Value at 30/06/19. Change compared to 31/12/18

Historically high risk premiums not in line with actual risks

Historically high risk premiums for Carmila…

… that compare very favourably with other classes of real estate assets

Risk premium/10-year OAT*



Average risk premium and capitalisation rate**

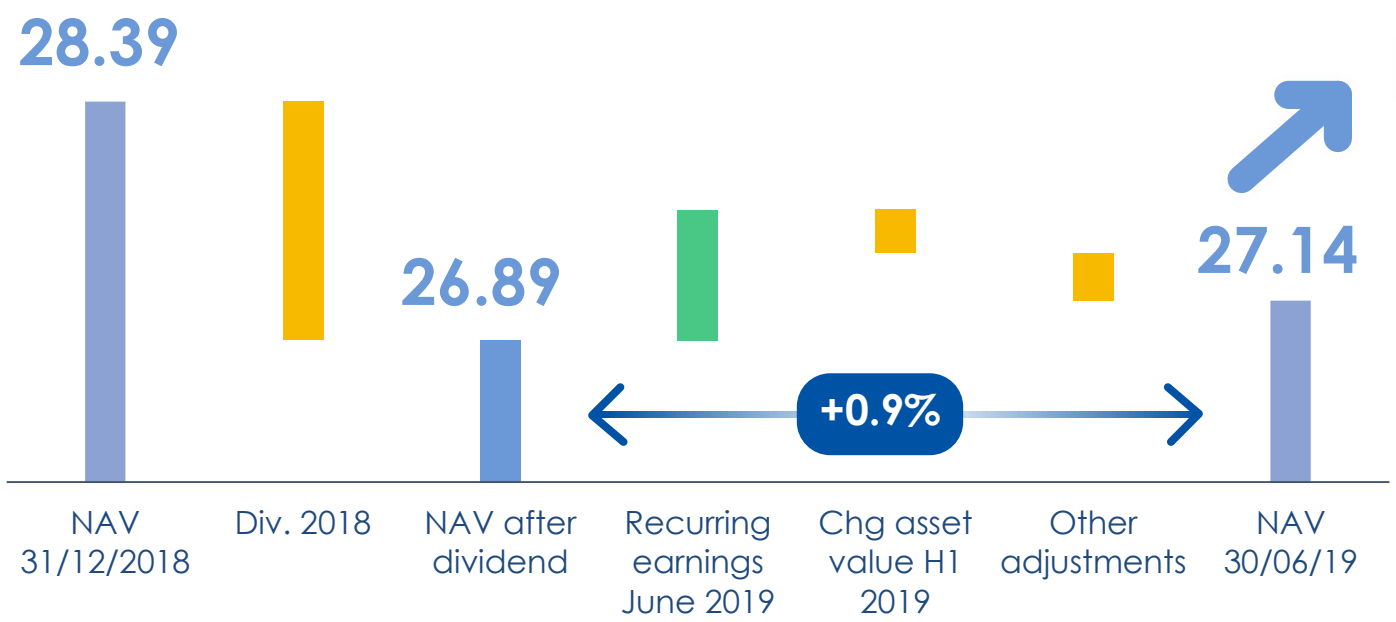
	Ground-floor stores in multi-use buildings	Paris Prime Offices *(CBD)*	Logistics
Average capitalisation rate	**2.5%**	**3.5%**	**4.5%**
Risk premium	**172bps**	**268bps**	**372bps**

(*) Comparison of the average capitalisation rate of Carmila portfolio with the 10-year French OAT rate
(**) Source Cushman & Wakefield – Marketbeat Investissement France 1st quarter 2019 – End March 2019

After dividend distribution, EPRA NAV increased slightly

Breakdown of the change in EPRA NAV

In € per share



EPRA Net Asset Value

fully diluted

€27.14/share

CHAPTER 4

Developments and growth drivers

A secured pipeline of extensions on existing sites

Investments in projects delivered over the year* (in €m)

	2019	2020	2021-2024	Total
Additional net rental income	€1.9m	€6.2m	€75.4m	€83.5m
Developer YOC	6.6%	6.8%	7.1%	7.1%

Extension pipeline 2019-2024

€1.4bn

25 projects including **7 major projects** representing **79%** of the pipeline*

(*) Investment base including Carmila's share of investment for the 50% of the project for which it is the developer and the purchase price of the 50% owned by Carrefour group.

The 7 key projects in the pipeline are based on solid fundamentals

67,0 €M — **2022** — **Marseille - Vitrolles**

- Recent acquisition by Carmila
- Key historical leading hypermarket in the area of Greater Marseille
- Winning back a leading position facing strong competition and the saturation of Plan de Campagne

218,0 €M — **2022** — **Montesson**

- 2nd-largest Carrefour hypermarket in France
- Very dense catchment area and little competition

270,0 €M — **2024** — **Antibes**

- Largest Carrefour hypermarket in France
- An exceptional location next to the A8
- Positioning the centre as a leader

166,0 €M — **2024** — **Toulouse Labège**

- Arrival of the metro on the site in 2024
- Co-leader hypermarket in the south of the Greater Toulouse area

97,0 €M — **2020** — **Nice Lingostière**

- 3rd-largest Carrefour hypermarket in France
- Strong positioning at the entrance to the Vallée du Var

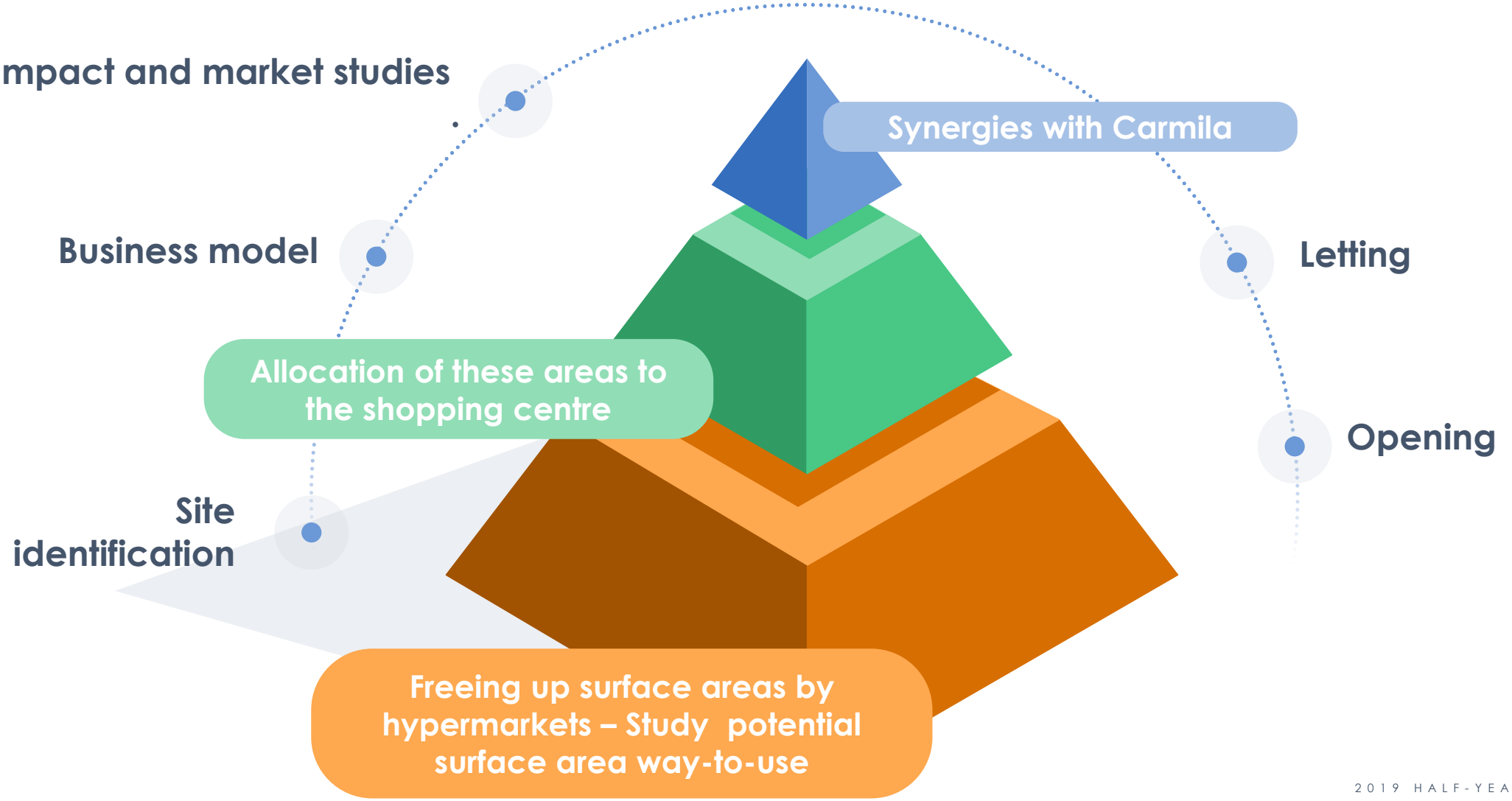
123,0 €M — **2024** — **Tarrasa – Barcelona**

- Strategically located shopping centre between two cities of over 200,000 inhabitants each, and low commercial density
- Major potential for a shopping centre mainly focused on ready-to-wear

169,0 €M — **2024** — **Vénissieux**

- 5th-largest Carrefour hypermarket in France
- Strong leadership to the south of the Greater Lyon area
- Improving the site's leadership at the same time that openings of Ikea and Leroy Merlin will occur (5m additional visits to the area)

Reduction in Carrefour hypermarkets: benefit from the ecosystem to improve centres' leadership



Side business: small growth drivers will become large

Capitalising on our technical and digital skills to develop new activities in the **retailing world**

Carmila's speciality: Creating opportunities around a portfolio of **215 sites** broken down into regions

Carmila Ventures
Building partnerships to create a **more attractive offer** thanks to **dynamic, talented retailers**

LouWifi

- Supply of low-voltage equipment to **third-party customers** (real estate companies, food retailers, etc.)
- Bids for external offers
- Services box

LOU5G

A strongly-growing business in France over the short/medium term

- Coverage of "blackspots" in 2 years: **+20,000 towers**
- 5G towers: **+20,000 towers**
- Improved speed *(towers added to already-covered areas)*

194 towers/ €2 M identified in rent. And in the future 900+ other Carrefour sites, infrastructures, …

Objectives

- **15 to 20** partner retailers at full speed development
- **Call/put** mechanism **after 5 years** of partnership and development
- Average multiple after 5 years: **5-7x EBITDA**

Boosting the value of our assets
via mixed-use projects developed with Carrefour

Average surface area of our sites

7 hectares/site

Potential over 15 million sqm

Their advantages:

Proximity/ suburban

Access

National network

Co-development right

Partnerships with Carrefour (access to land, technical expertise, etc.)

Boost the value of our properties in a 50 / 50 partnership with Carrefour

Reallocation of sqm
(Developer)

- Retail
- Drive
- Logistics

Mixed activities
(Planner + partnerships)

- Hotels
- Offices
- Retirement homes
- Residential
- Healthcare centres
- Business parks
- Managed residences
- Data centre
- Co-working spaces

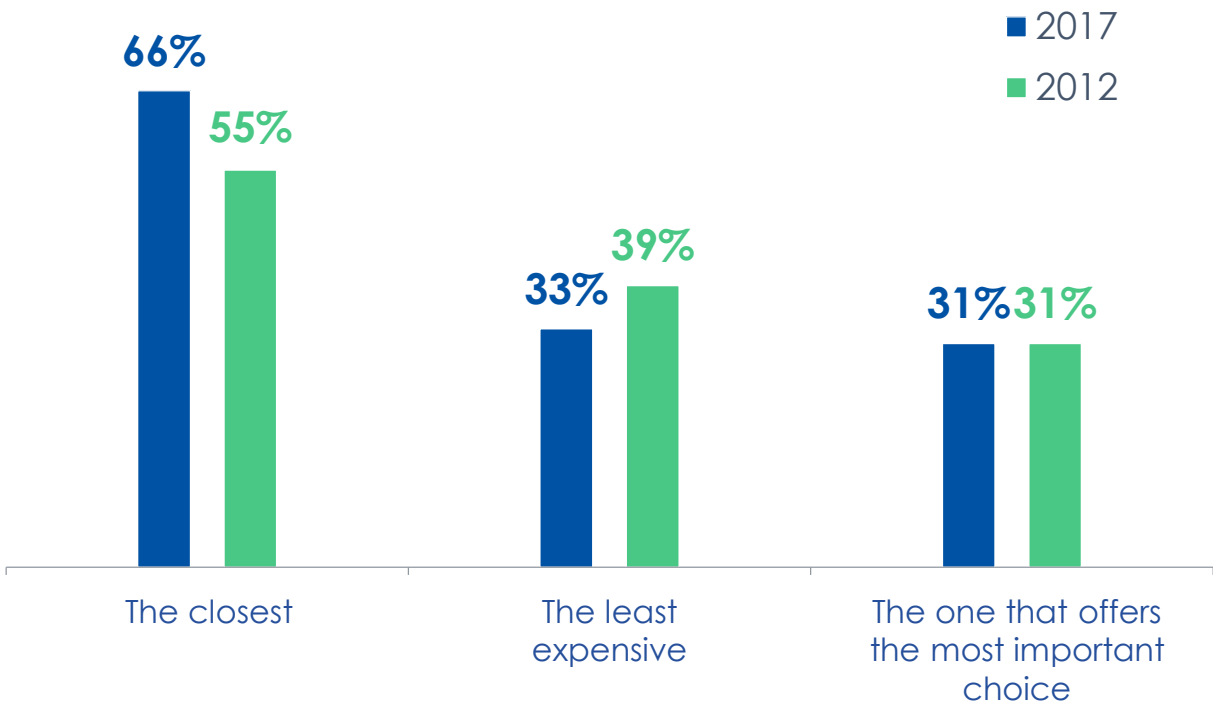
Our local positioning: an on-trend asset

5

Local shopping is what consumers want

2/3 of French people favour proximity*

% of individuals that mentioned this item as the 1st or 2nd criterion for choice of store



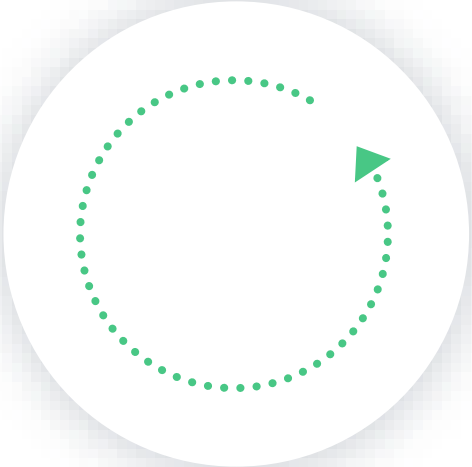
(*) Source: Consumption trends survey 2017 - CREDOC

At the heart of Carmila's positioning

- Centres **connected** to their region, shopping locations for over 30 years
- **Easy to access** / included in the urban area
- A constantly changing **retail dynamic to answer customer needs and desires**
- … Backed by a powerful **Carrefour anchor store**

Carmila : a young and dynamic company supported by a powerful ecosystem

- Key **easily accessible urban locations**
- **Well-established** local **leadership**
- Teams of **retail experts** with a **retailer DNA**
- **Strategic partnership** with Carrefour



- **A key shareholder**
- **Co-owner and co-operator** across all our sites
- **A partner for** our developments: pipeline and mixed use

Developing the partnership over the long term

Carmila's business is one of the future...

... as it meets the needs and desires of customers...

- Convenient
- Familiar
- Human
- Innovative in terms of retailers
- Multi-channel
- Well-established in its region
- Concerned about the environment and socially responsible

... and the aspirations of millenials

- Community
- Novelty
- Trendy catering
- CSR

Physical shopping is still attractive to customers

"Online pure players experience 50% lower online sales than retailers with a physical presence".

The "Halo Effect of physical retailing"– CACI July 2019

"For those aged 15-25, stores are the preferred place for fun shopping and finding items".

Study by Jam, conversational chatbot.

We are confident in our cashflows perspectives for 2019 and beyond

2019 outlook in line with our forecasts

- **Growth target for recurring earnings per share confirmed:**

  between +5% and +6.5%

Confidence in visibility of our cashflows

- Over the long term, **the dividend will be at least equal to the 2018 dividend**...
- **...** with a **target pay-out rate** on recurring earnings of **90%**

26 July 2019

Appendices

CARMILA

A portfolio valued at €6,377 billion at 30 June 2019, down €27.2m

129 sites **72%***

€4,561m

78 sites **23%***

€1,462m

8 sites **5%***

€354m

2014 values as a reminder

€2,067m / 78%

€380m / 14%

€221m / 8%

 # assets

215

GAV ITT

+€6,377bn **-27.2m**

vs 31/12/2018

Gross leasable area

+1.56 million m2 **+4,800 m²**

vs 31/12/2018

Passing rents

€361.6m **+3.2m**

vs 31/12/2018

Average capitalisation rate**

5.91% **+14 bps**

vs 31/12/2018

Average net initial yield***

5.62% **+12 bps**

vs 31/12/2018

(*) % of gross asset value, including transfer taxes, at 30 June 2019
(**) Average capitalisation rate of the portfolio based on valuations by external appraisers 2019
(***) Average yield rate on occupied units

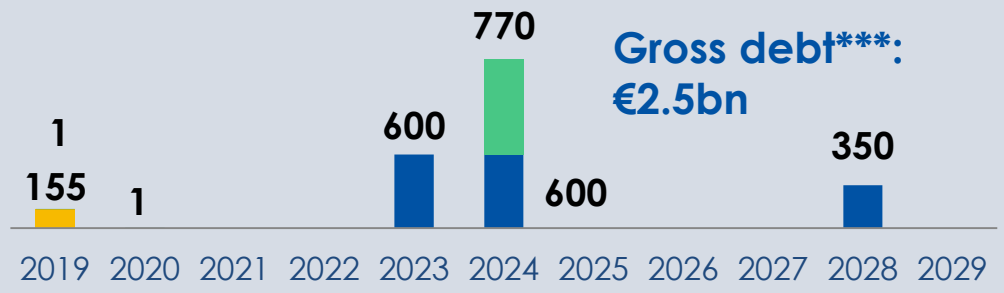
Financial structure at 30 june 2019

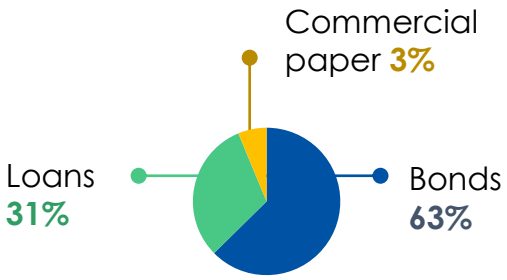
Average residual value
5.4y

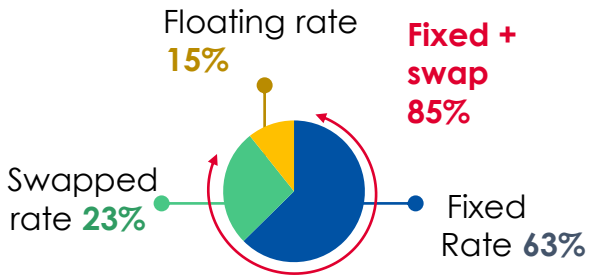
LTV*
36.0%

Interest cover ratio**
4.9x

Debt repayment schedule







(*) Ratio of net debt to gross asset value including transfer taxes.
(**) EBITDA/cost of debt over 12 months – Valuation H1 2019
(***) Gross outstanding debt excluding accrued interest, issue costs and derivatives

Key highlights for the year

- S&P confirms the BBB rating with positive outlook (16 June);
- Average cost of debt at 30/06/2019: 2.09%;
- Stable liquidity reserves;
- Bank debt maturity postponed by one year and back-up line of €759m (at 16/06/2024).

After closing

- AMF approved the Base Prospectus for a €1.5bn EMTN programme.

Retained earnings of available liquidity at 30/06/19