14 February 2020

2019 Annual Results

CARMILA

INTRODUCTION

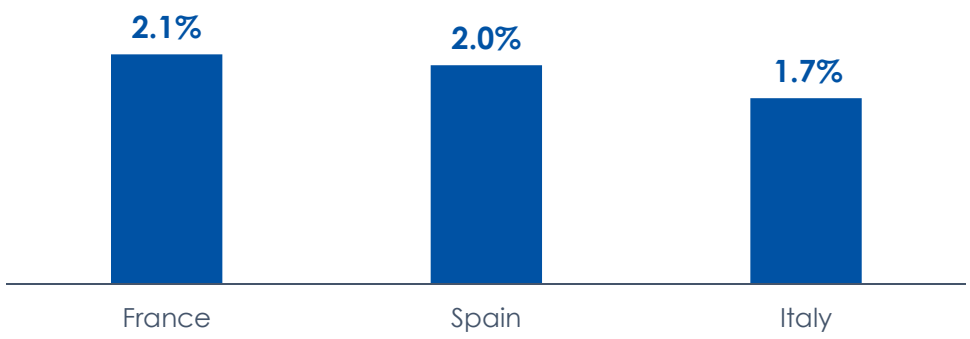
Local presence is a key factor for success and a powerful growth driver

2019: a succesfull year for Carmila and its retailers

The retailers' revenues show a substantial rise,…

Change in retailers' revenues*

during 2019 compared to 2018



(*) Change in retailers' revenue on a like for like basis.
(**) Recurring earnings are equal to EPRA earnings excluding certain non recurring or non cash items (restated for the net impact of IFRS 9 adjusting the effective interest rate of the debt to the original interest rate at inception and recognising an income over the residual duration and for debt issuance costs amortised on a straight-line basis over the duration of the loan) and including debt issuance costs paid during the year.

… just like Carmila's 2019 recurring earnings per share

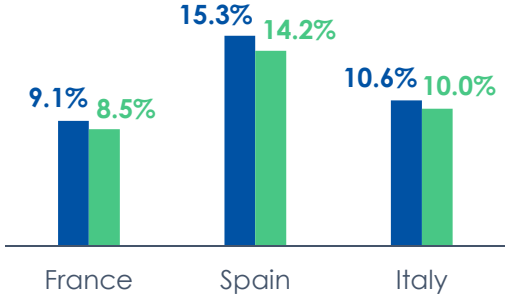
Recurring earnings** per share

€1.63 per share +6.6%

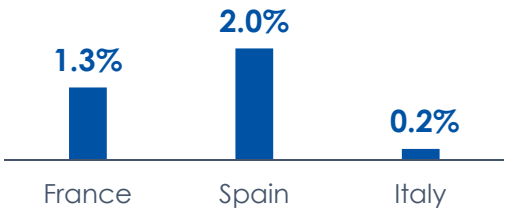
Above target for 2019 of a growth between +5.0% and +6.5%

A year with well-oriented macro-economic indicators in the countries where Carmila operates…

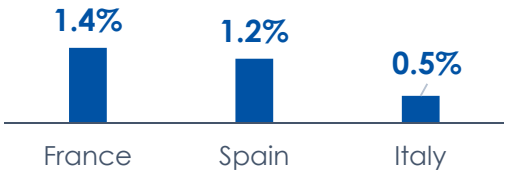
- Unemployment rates decreasing* in all our countries



- Growing GDP



- And increasing consumption indexes



Sources: OECD Economic Outlook No 106 – November 2019 / Banco de España / Federdistubuzione
(*) Comparison of national unemployment rates 2018 and 2019(e)
(**) Change on a comparable basis

… and social unrest in France with a limited impact on the activity of our retailers

Change in Carmila retailers' revenues in France / December 2019**
(Dec. 19 vs Dec. 18)

-0.4%

Reminder +2.1% /12 months

A year however marked by a number of operational challenges…

Example in France

A varying situation depending on the business sector

*(Change in retailers' revenues - 2019 vs 2018**)*

	CARMILA	CNCC***
Services	+5.1%	+0.5%
Health and Beauty	+3.1%	+3.7%
Food & Restaurants	+3.3%	+0.9%
Household equipment	+3.5%	-5.9%
Clothing and accessories	+0.8%	-1.7%
Culture, gifts and leisure	+1.0%	-1.5%

(*) Excluding renewals, leases on promotional projects, specialty leasing and pop-up stores
(**) Change in retailer sales on a comparable basis
(***) CNCC indexes : change in retailer sales on a constant basis – 12 months 2019 compared with 12 months 2018.

Remarkable results were recorded due to the strong dynamism of Carmila's commercial teams

… where agile retailers perform well

In competitive sectors which have to face changing consumption trends, the most flexible brands are growing their business

(Change in revenues of retailers in the Carmila portfolio - 2019 vs 2018)*

H&M	**+5%** France	**+6%** Spain
Mango	**+14%** France	**+12%** Spain
Zara	**+4%** France	
Kiabi	**+6%** France	
Pandora	**+15%**	
Cléor	**+8%**	

(*) Change in retailer sales on a comparable basis

Relevant local players, differentiating and effective

Partners with a strong development of their business

Carmila's growth since its creation is the result of an effective positioning and business model

A portfolio with a strong presence in its catchment area at the core of its customers' expectations

A varied portfolio offering a strong visibility and sustainability on the business

An experienced and specialised entrepreneurial and innovative team

A strategic partnership with Carrefour that creates value

- Key and easily accessible urban locations
- Well-established local leadership
- Expert teams with a retail DNA

Carmila's shopping centres, with a strong presence in their city, are at the core of their customers' expectations

What makes Carmila stand out from any other real estate company?

The retail brands reply*

7 its local network

6 its capacity to listen, empathise combined with a local presence

retail brands out of 10

(*) Survey carried out in December 2019 with Carmila retail brands and retailers in France and Spain

For our retail brands and our retailers, the shopping centre of tomorrow will be …*

Multi-functional

Accessible, practical and useful

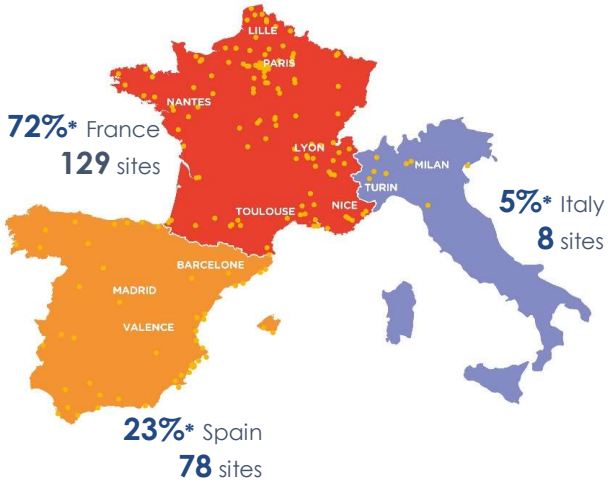
A varied portfolio offering a strong visibility and sustainability of the business

Wide **geographic diversity**

Local shopping centres with well-established local presence

A **varied and balanced** portfolio

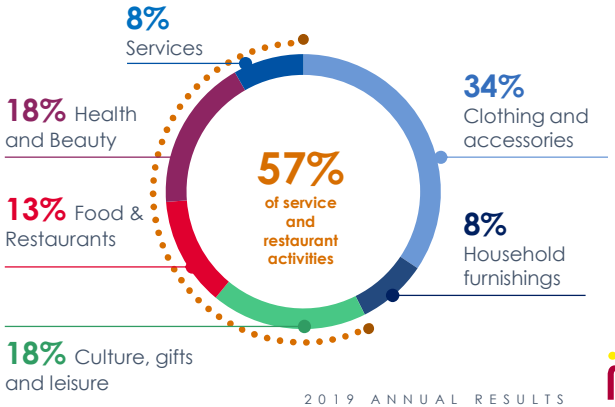
215 sites – 3 countries



Top 15 tenants**

18.8% of gross rental income

Distribution of portfolio of leases by business sector**



(*) as a % of the appraisal value including transfer taxes at 31/12/19
(**) as a % of annualised rents at 31/12/19

An experienced and specialised entrepreneurial and innovative team

- Sales teams in regional areas specialised on our local sites
- Local digital marketing dedicated to the retail brands' performance
- Intrapreneurs leveraging a portfolio of 215 sites and taking advantage of our closeness to Carrefour

LOU5G

- Specialty leasing and pop-up stores, an integral part of our offer strategy
- Carmila Retail Development: partnerships to boost the offer and future growth

LA BARBE DE PAPA
COIFFEUR & BARBIER FRANÇAIS
CIGUSTO
indémodable
IDEAL

- Digital innovation shared with the retail brands

Les news du Smart Shopping
valley
LA3'O
La FRENCH TECH

A strategic partnership with Carrefour that creates value

A key shareholder

Co-owner and co-operator across all our sites

A partner for our developments: pipeline and mixed use

The history of Carrefour at the core of Camila's positioning

- Centres **connected** to their region, Retail places for more than 50 years
- **Easy to reach** / deeply part of the urban environment
- A **commercial momentum** constantly adapting **to meet customers' needs and desires**
- **Anchored** by **Carrefour food retail** power

A strong core business

Performances over the year proved that the core of the Carmila business is robust

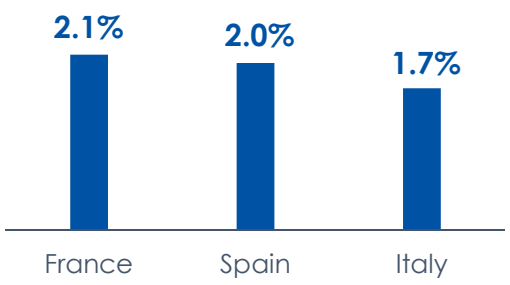
Retailers' revenues show a **substantial rise***

The letting activity is **active…**

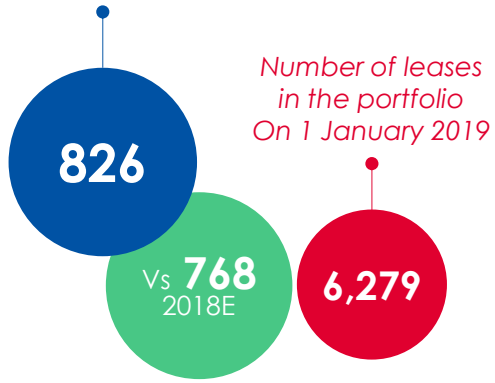
…and the occupancy rate high

Change in retailers' revenues*

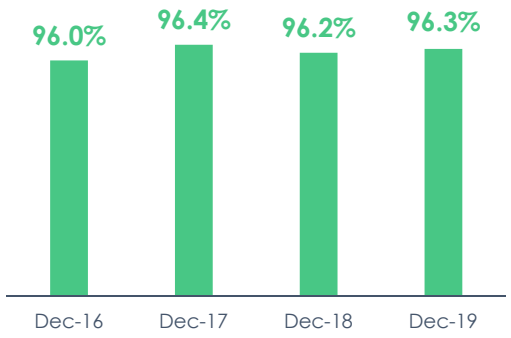
during 2019 compared to 2018



Number of leases signed** over financial year 2019



Financial occupancy rate***



(*) Change in retailers' revenue on a like for like basis.
(**) Excluding extensions and contracts signed in specialty leasing and pop-up stores.
(***) Financial Occupancy Rate, excluding strategic vacancy

A diversified portfolio of leading centres, strongly established in their catchment area

15
Regional Shopping Centres**
80 to 150 stores

125
Local shopping centres**

75
Large shopping centres**
40 to 79 stores

are leader or co-leader* sites

(*) Leaders: leading shopping centre in its area in terms of number of commercial units (Codata) or shopping centre with more than 80 commercial units in France and 60 in Spain and Italy. Co-Leader: non-leading shopping centre attached to a leading hypermarket in its commercial area in terms of revenue (Nielsen) or generating revenue of over €100 M in France and €60 M in Spain and Italy.
(**) CNCC Classification - as a % of the appraisal value including transfer taxes at 31/12/19

Local presence, the common theme in our portfolio regardless of centre size

Regional Shopping Centre
Thionville

- A shopping centre created in 1971 by Thionville retailers, which gradually became a **regional shopping centre**
- **162** stores – **7.5 million** visit./year
- Carrefour, Zara, a well-established food court

Regional but very **local.**
An institution in Thionville since it opened

Financial occupancy rate*

100%

Large Shopping Centre
Rennes

- A medium-sized shopping centre to which a 30-store extension was added in 2019. Today 70 stores

Very well-established in a district of Rennes with strong purchasing power, this is a **large** local **shopping centre with a different use** from that of the Rennes Alma regional shopping centre *(Unibail 15mn away by car)*

Financial occupancy rate*

100%

Local Shopping Centre
Grenoble

- A small shopping centre (14 stores) that cannot be extended owing to lack of space
- Within the best catchment area in Grenoble

A local shopping centre very effective and **very much in demand with retail brands**

Financial occupancy rate*

100%

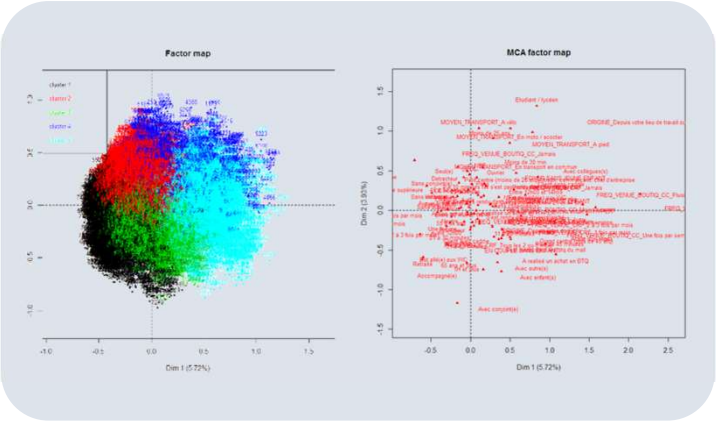
(*) Financial Occupancy Rate, excluding strategic vacancies

Unique expertise in local digital marketing implemented across the whole portfolio …

Distributed marketing: tools and systems **centrally designed** and **implemented in 215 shopping centres**

Perfect **knowledge of consumers' behaviour and motivations** in **each catchment area**…

…thanks to **expertise in data collection and analysis**



An ever-stronger local digital presence...

Being present when the customer searches for shopping information close to the shopping centre

101 million searches in Google "My Business" bring up our pages

+188% vs n-1*

Create loyalty and have fun in mall

2.8 million points of contact in local databases

+25% vs n-1*

1.1 million in-mall players

Promote our local communities

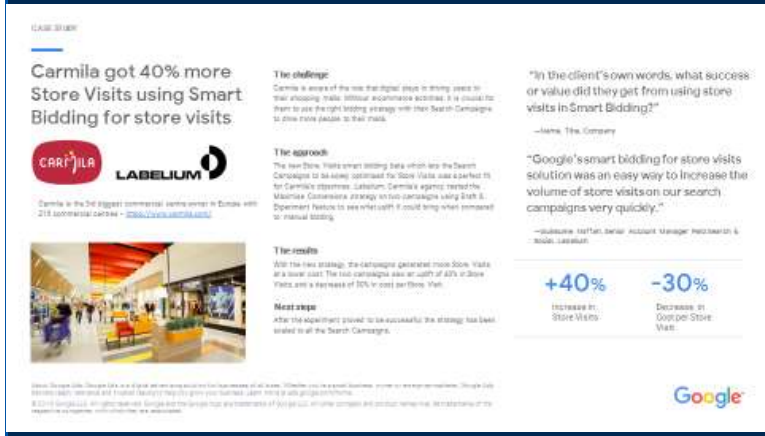
238 million impressions of our Facebook posts

x5 vs Dec 2018 local ambassadors on Instagram (**25** influencers)

Carmila,
ultra-innovative drive-to-store local solutions

Google x CARMILA

1st Beta tester of Google drive-to-store IA in France


Carmila got 40% more Store Visits using Smart Bidding for store visits

CARMILA LABELIUM

The challenge

The approach

The results

Next steps

"In the client's own words, what success or value did they get from using store visits in Smart Bidding?"

"Google's smart bidding for store visits solution was an easy way to increase the volume of store visits on our search campaigns very quickly."

+40% Increase in Store Visits

-30% Decrease in Cost per Store Visit

Google

A **key partner** of the **major market players** to **innovate**

(*) versus year 2018

… to enhance retail brands business in a structured approach

Le kiosque par CARMILA

still more marketing operations
to provide news locally on our retailers

10,000+
Operations in 2019

x 2

Local and multi-local operations carried out on behalf of the retailers

Number of retailers supported in the long term*

+67% *in 2019 vs 2018*

To illustrate, for a €2,000 campaign implemented by Carmila, a retailer supported in the long term will have, on average, outperformed its Carmila network** by

+8.1pts
of outperformance revenues**

(*) Retailers who benefited from more than 6 "Kiosque" support operations during the year, with a similar background to 2018 and a similar store in the Carmila network: +4.4pts of outperformance.
(**) Retailers in the previous group who benefited from at least €2,000 support during the year

Stronger and faster CSR commitments

- **45 shopping centres certified BREEAM in-Use**
- **7,000 trees planted with Reforest'action**
- **Formalisation of our environmental policy**
- **1,526 CSR operations, i.e.1,652 action days organised in the shopping centres, or +14% vs 2018, of which:**
  - Partnerships with MIIMOSA & SECOURS POPULAIRE
  - 28 events in conjunction with ACT FOR FOOD
  - 22 tonnes of clothes collected during solidarity second-hand clothing sales (vide-dressing)
  - 7 Spanish shopping centres took part in the World Clean Up Day
  - Promotion of social diversity during Diversity Day in Italy
- **147 *TOO GOOD TO GO* partner retailers**
- **Business Immo digital innovation prize for the IoT to support CTM and the development of our environmental platform**
- **Prize for the best CSR initiative for the "Save water, it's the heart of life" campaign (14,000 litres of water saved in 1 year)**

(*) Appraised value including transfer taxes on certified assets / appraisal value including transfer taxes in the portfolio of shopping centres
(**) Centralized Technical Management

Too Good To Go

BREEAM® MiiMOSA

Launch of new projects:
Charter for responsible purchases, charter for biodiversity, solidarity Christmas markets…

“Ici on agit”, programme of responsible initiatives

ici on agit cité europe

ici on agit Centre commercial Rennes Cesson

ici on agit

ici on agit CARMILA

Here we act for the local momentum:

- By working with retail brands and retailers to **develop local attractiveness**
- By making our shopping centres **local focal points** and sites of **community expression**
- **By establishing close relationships with our suppliers and our partners**

Here we act for the planet:

- **By incorporating our assets in the city of the future**
- **By limiting the environmental impact of our activity**
- **By Protecting biodiversity**

Here we act for our teams:

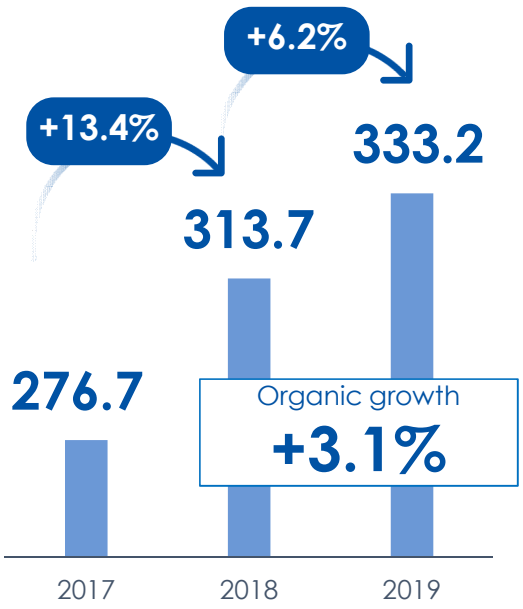
- By revealing everyone's **potential**
- **By being an inclusive and collaborative business**
- **By guaranteeing a trusting environment**

(*) Here, we are taking action

A growing core business

To create growth by generating organic growth

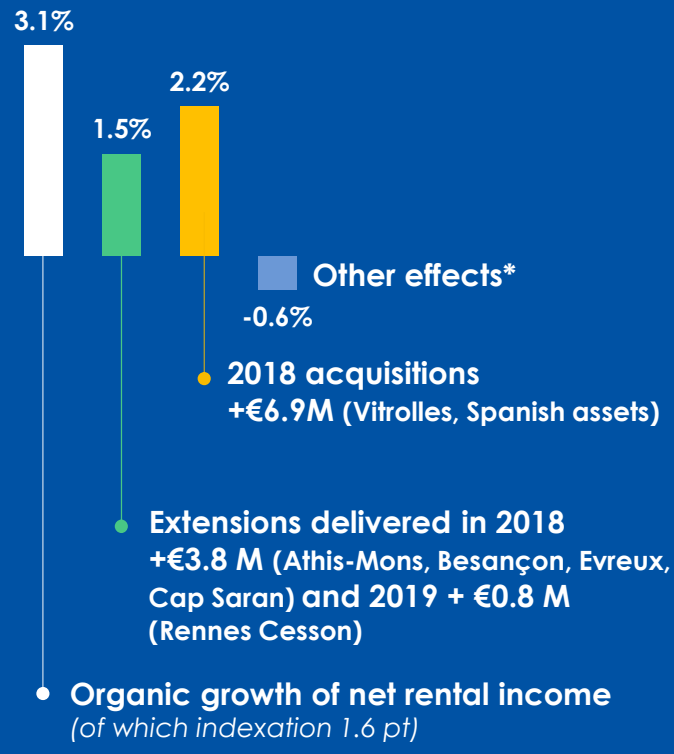
Net rental income in €M



	Organic growth	Reversion / renewal
	+2.2%	+9.0%
	+5.5%	+4.2%
	+3.3%	+1.5%

Growth of net rental income

2019 vs 2018



(*) in particular including strategic vacancies

- **Transforming our assets to create value and reinforce the portfolio's resilience: e.g. Géric, Thionville**

162
stores

7.5 million
visitors
per year

Transforming our assets to create value and reinforce the portfolio's resilience

e.g. Géric, Thionville

On acquisition in 2015

- **Leading** Site in its catchment area **100%** occupied

Strengthening the merchandising-mix

- Acquisition of medium-sized retailers: Gautier and former Autour de Bébé (2016) - Jardiland (2017)
- **Restructuring** of former Go Sport into 5 units
- **Resiliation/relet operations** (Sephora, Columbus, Orange, Waffle Factory, etc.)
- Renewals of expired leases **(reversion +15%)**

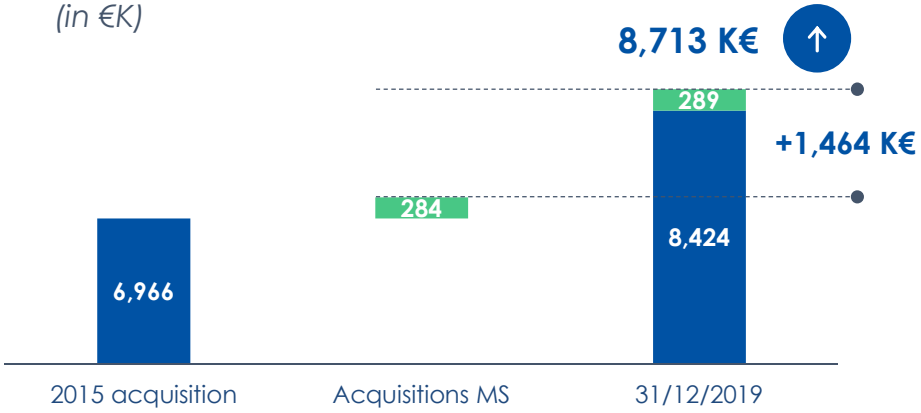
Asset management

- Reduction in the amount of unbilled charges (GRI/NRI 95% vs 88% on acquisition)

Change in appraisal value

Change in net rental income

(in €K)



(*) Exit tax at the seller's expense (€20M)

To develop extensions that reinforce the leadership and attractiveness of assets with potential …

An extension that meets a demand

- Extension **fully let**

2nd urban area hypermarket

70 Number of stores

+30

H&M

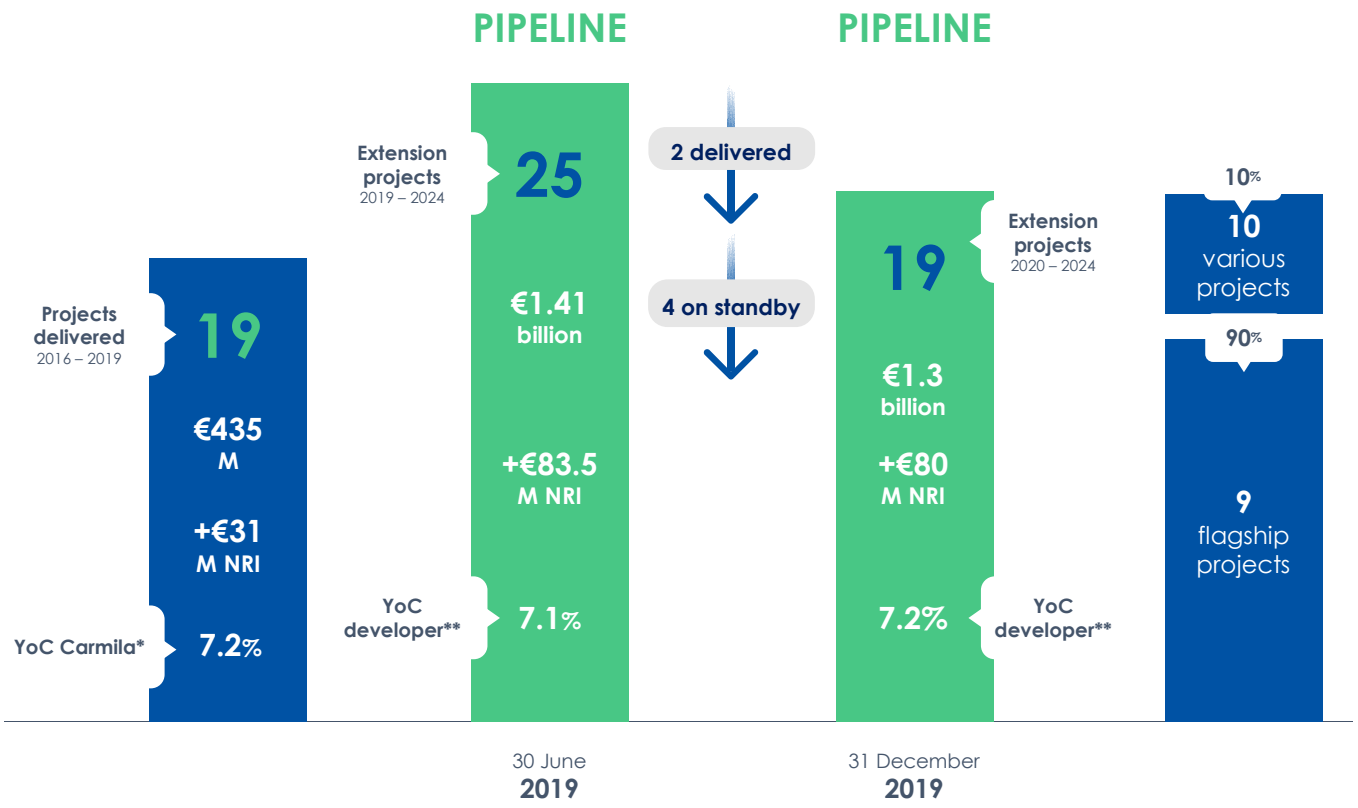
MANGO

MAISONS DU MONDE

The shopping centre after opening of the extension in November 2019

- **70 shops** and medium-sized stores **over 13,000 sqm**
- **€3.9 M** of gross rental income
- **€47.8 M** of market value

Our pipeline, historically selective and value creator



9 priority projects over 2020 – 2024

- Nice Lingostière (work in progress)
- Vitrolles (final permits obtained)
- Tarassa
- Montesson
- Antibes
- Aix en Provence
- Thionville
- Toulouse Labège
- Venissieux

(*) Carmila yield on cost including the acquisition of 50% of the project to Carrefour at market price
(**) Yield on cost at the JV level before exercice of the put and call options by Carmila and Carrefour

Acquisitions: concentrate on assets with potential

Acquisitions made since 2014

Number	Acquisition price	NRI of occupied units	Average NIY
29	€2.0 billion	115 M€	5.83%

→

Valuation 31/12/19	NRI of occupied units	Average NIY
€2.4 billion	€129 M	5.45%

No acquisitions in 2019 as there were no sufficiently attractive opportunities financially and strategically speaking

4

Results proving successful momentum of the business

EBITDA up by 6.9%

Reconciliation between Rental Income and EBITDA* in €m

	2018	2019
Gross Rental income	340.3	359.5
Property expenses	-26.6	-26.3
Net Rental Income	313.7	333.2
Operating expenses	-50.6	-52.8
Other operating income and expenses	-1.4	-0.3
Equity accounted companies	2.7	2.6
EBITDA	264.3	282.6

6.9%

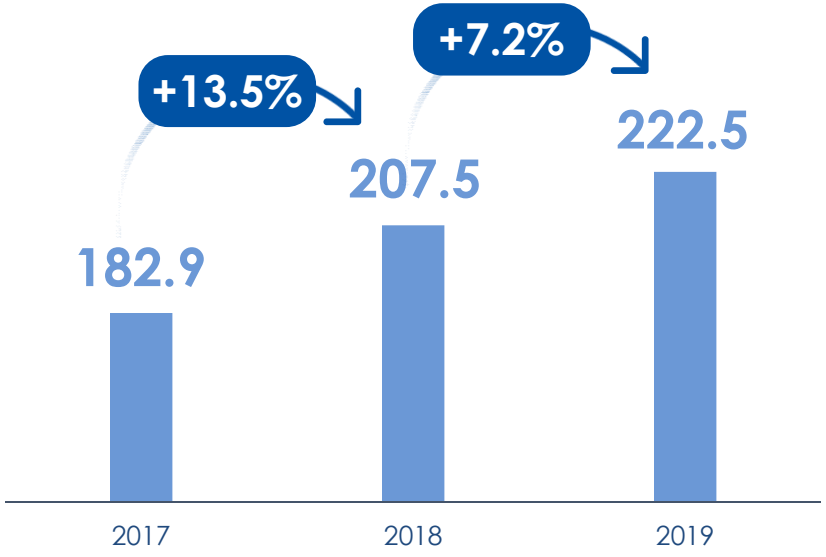
(*) Operating income excluding depreciation, provisions for contingencies and charges, change in fair value and gains on disposal

Productivity improvement:

The EBITDA/Rental Income conversion rate **improved by 90 bp** to **78.6%**

Strong growth in recurring earnings, above our objective

Recurring earnings* in €M



Recurring earnings per share

€1.63/share

+6.6%

Reminder of the 2019 objective:
Growth between +5.0% and +6.5%

(*) EPRA earnings restated for non-recurring and non-cash items

- Appraisers stabilised the valuations of our assets in the second half, after a slight drop in the first half

€6,421 million

Market value

including transfer taxes

				Like for like change		
	-0.4%	+0.7%	+0.3%	-1.1%	+0.3%	-0.9%
	H1-2019	**H2-2019**	FY 2019	H1-2019	**H2-2019**	FY 2019
€4,615 million	-0.9%	**+1.2%**	+0.3%	-1.9%	**+0.6%**	-1.3%
€1,449 million	+0.8%	**-0.9%**	0.0%	+0.8%	**-0.9%**	0.0%
€357 million	-0.1%	**+0.7%**	+0.7%	-0.1%	**+0.7%**	+0.7%

The portfolio's net potential yield stabilised over the second half of the year

		Change H2-2019	Change /12 months	
	5.90% Net potential yield*	-1 bp	+13 bps	
	5.68%	-2 bps	+14 bps	of which market impact /12 months +24 bps
	6.54%	+7 bps	+14 bps	
	6.18%	+2 bps	+2 bps	

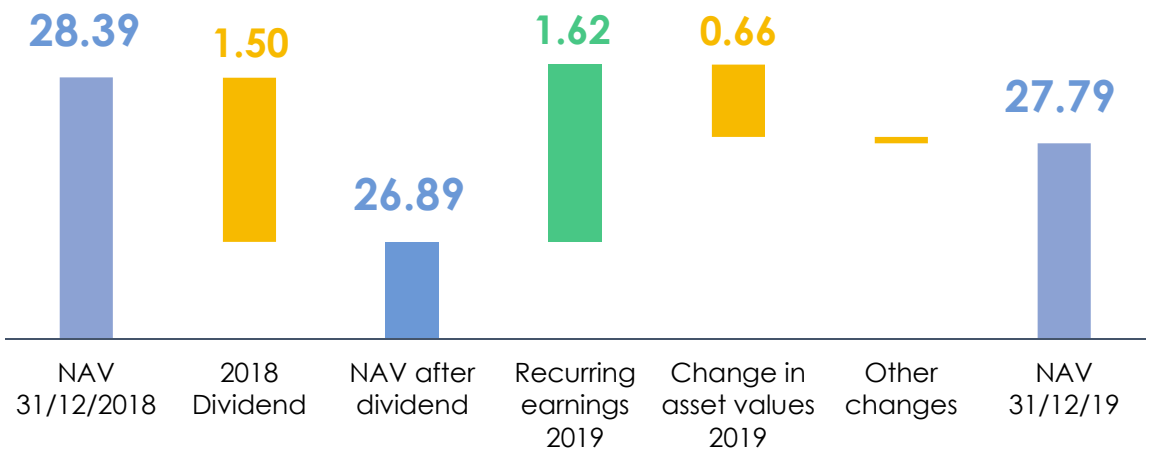
- Sustainable rents
- Realistic rental values for vacant premises
- Recent renovations included in the portfolio
- Stable occupancy rate
- Reasonable occupancy cost ratio

(*) Value as at 31/12/19

EPRA NAV per share showed a moderate drop of €0.6 over 12 months after payment of a €1.50 dividend

Breakdown of the change in EPRA NAV

In euro per share



EPRA Net Asset Value

At 31/12/19 - fully diluted

€27.79/share

Take advantage of the interest rate environment to reduce the cost of debt while maintaining a solid financial structure

In a sustainable low-interest rate environment, the management of Carmila's financial structure has **three objectives**:

- **Reduce its financing cost**
- **Extend debt maturity**
- **Optimise hedging structure**

- **Existing debt:**
  - 5 short-term swaps unwound
  - €100 million of the term loan repaid
  - Increased exposure to commercial paper
  - Issuance of option-based or long hedges
  - No buyback of existing debt
- **Future debt:**
  - Objective: extend and spread out maturities
  - 12-year private placement for €50 million (Dec 2019)
  - Finance 2020 CAPEX through commercial paper and refinance acquisitions

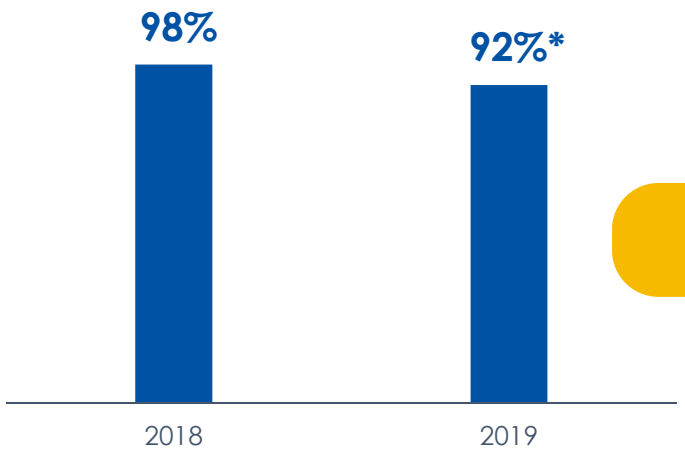
Average cost of debt in 2019	Average remaining maturity	LTV ratio *	Interest coverage ratio **	Net debt / EBITDA
2.1%	**5.0 years**	**34.9%**	**5.0x**	**7.9x**

(*) Net debt compared to the appraisal value including transfer taxes
(**) EBITDA / cost of debt over 12 months - Value 31 December 2019

- **This good momentum enables us to keep the dividend stable at €1.50* while progressing toward our target pay-out ratio**

Dividend/Recurring Earnings ratio

(in value)



Target pay-out ratio of 90%

2019 Dividend

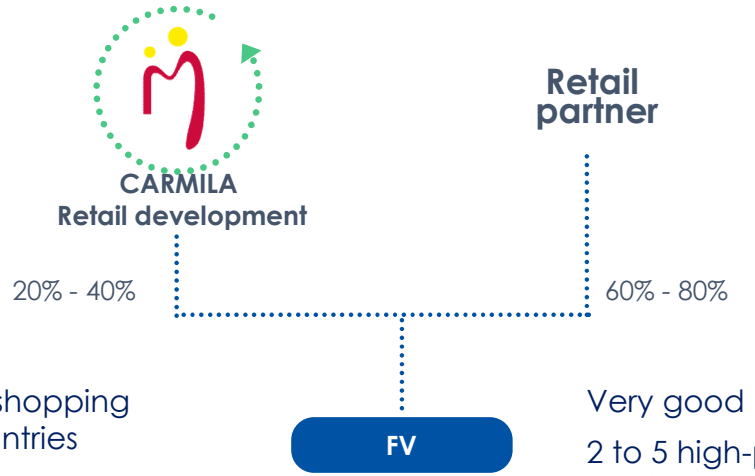
Paid in May 2020

€1.50*/share

(*)Subject to the approval by the next AGM on 14 May 2020

Develop future growth drivers

Invest in RETAIL alongside talented and dynamic entrepreneurs



Portfolio of 215 shopping centres in 3 countries

Financing works on new stores (repaid after 10 years)

Range of advisers *(planning, accounting expertise, etc)*

Very good professionals

2 to 5 high-performing existing stores

Activity consistent with Carmila shopping centres

Rapid development goal

- **Create a joint venture**
- **Acquire minority stakes**
- **Financing development**
- **New store development, with priority given to Carmila shopping centres**
  = create rental income
- **Disposal of our stake after development in Carmila portfolio**
  = capital gains after 5 years

Invest in RETAIL alongside talented and dynamic entrepreneurs

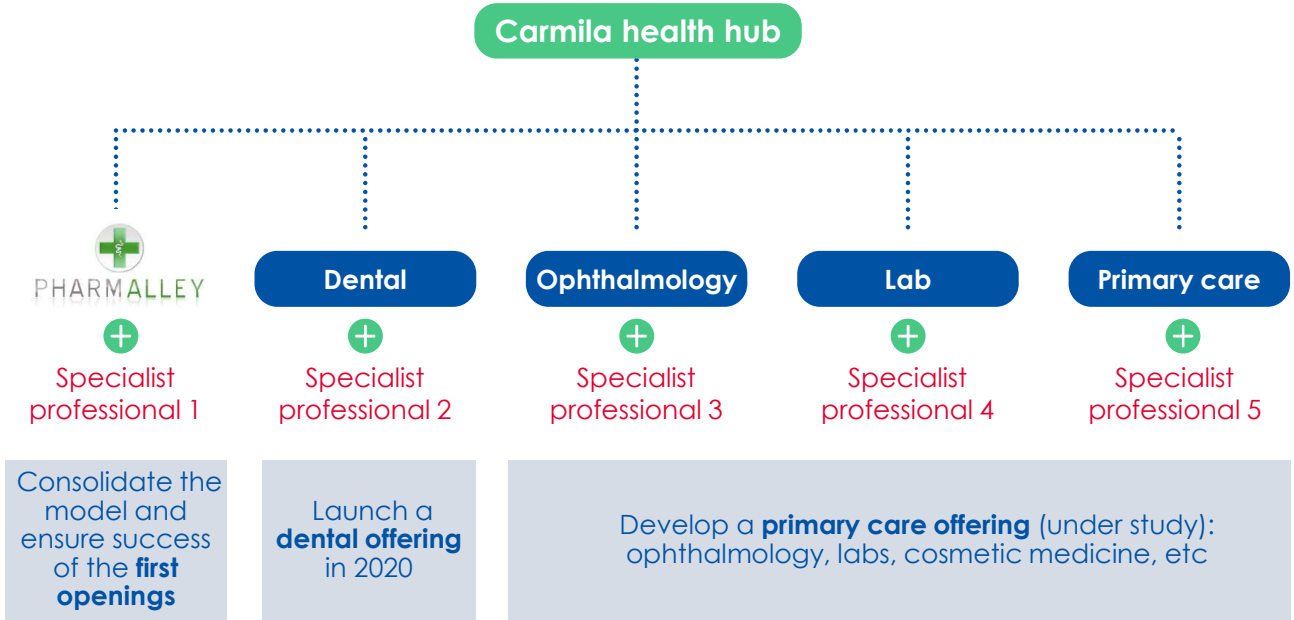
A growth driver **for 2019**

A powerful **future growth driver**

4 current main partners*	Forecast at 4 years of the partnership**	5 year ambition
71 stores Including **15** on third-party sites	**160 stores**	**15 to 20 retail brands** in partnership when fully up and running **2 to 4 stakes** disposed each year
€2,1 million Annualised rents from leases signed at end-2019	**€6 million** Annualised rents	**>€25 million** Annualised rents
€7,5 million of committed investment to date (c. €100K/store)	**€15 million** of net commitments	**c.€20 million** of net commitments
€6,5 million of gains to date	**€12 million** of Carmila share of gains	**c.€50 million** of Carmila share of gains

(*) Barbe de Papa (2,5 years of development to date), Cigusto, indémodable, Centros Ideal (1 year of development to date)
(**) Forecast based on 4 years of development.

Invest in HEALTH to expand the offering of our shopping centres and benefit from a favourable development environment



Investment "philosophy" similar to that of Carmila Retail Development

- Develop **a full quality Health offering** in our shopping centres
- Participate in **the roll-out of the offering** as a **financial partner**
- **Enhance the value of the partnership** while broadening the offering at our centres (rents and attractiveness) and while benefiting from long-term value creation (gains on disposal)

Invest in HEALTH to expand the offering of our shopping centres and benefit from a favourable development environment

Carmila health hub

PHARMALLEY

Transform our pharmacies **into real anchors** to strengthen our **proximity** positioning **in the regions**

Stake

45%

- **Expansion of our pharmacies, transfer of pharmacies to our centres, takeover and replacement of existing pharmacists** (in 2019: Laon, Annecy, St Jean de Luz, La Roche-sur-Yon).
  - Investment*: €0.5 to €1.5 million/pharmacy
  - 4-year gain*: €0.5 to €1.5 million/pharmacy
  - Objective: 5 to 10 pharmacies/year

Dentalley
(dental practices)

Stake

37.5%

- **Choice of professional partners**
- **Complete local health offering to our shopping centres**
- **Financing works and the company's development**
  - Ambition: 50 units in 5 years
  - Maximum commitment: €7 million *
  - EBITDA after 6 years of €15 million **/50 units

Medical and paramedical practices

- **Propose a complete Health offering to customers**
- **Less profitable activities**

(*) Carmila share
(**) at 100%

Develop technical expertise to create value from the ownership of more than 200 sites in 3 countries

LOU5G

Mobile telephony antenna subsidiary

Create opportunities around a portfolio of **215 sites** and **leverage the partnership with Carrefour**

Short/medium term strongly-growing activity in France

Coverage of "blackspots" within 2 years: **+20,000 antennas**

5G antennas: +**20,000 antennas**

Bandwith improvement (additional antennas in areas already covered)

- Contracts signed with the 4 operators in the sector
- End-2019, 130 antenna leases signed*

Leases signed at end-2019*:

€1.5 million

5-year ambition

€100 million

of value

(*) under precedent conditions

CONCLUSION

Proximity drives future growth

A young and dynamic company
A unique portfolio

- Key **and accessible urban locations**
- Well-established **local leadership**
- **Expert teams** with **a retail DNA**
- **Strategic partnership** with **Carrefour**

A portfolio of **215 shopping centres** well-established in their regions
Sustainable **cashflows**

+

A **resilient and growing** core business

+

Scope for growth drivers

- Invest in complementary retail activities
- Leverage the portfolio's diversity and the power of the Carrefour partnership

Retail transformation

Multi-channel

Mixity

Environment Solidarity

Leverage a powerful, sustainable and value-creating positioning: proximity

This is the primary value of our portfolio

- Unique coverage of regions
- Accessible sites
- Within leading and historic areas
- The power of visit frequency and familiarity of destination

This is an everyday advantage with the retail brands

- A partnership-based relationship
- Solutions meeting their expectations
- Local teams on the ground

This is at the heart of our customers' needs and desires

- A strong local presence
- Targeted communication
- Friendly, welcoming promotions and events

Local is how we act everyday

- The strength of the community and credibility of "the one who lives here"
- A positioning as a local partner
- Ability to listen and empathise
- A strusting and welcoming environnement
- A key partnership with Carrefour

We are confident in our cashflow outlook for 2020

Visibility
on our
cashflows

Visibility
on our
pipeline

Objective:
Recurring earnings per share in 2020 showing growth over 12 months

between +2% and +4%

compared to €1.61/share, ie 2019 recurring earnings per share excluding financial benefit from cash investments (€ 2M)

14 February 2020

Appendices

A portfolio valued at €6.421 billion at 31 December 2019, up €44 million over 6 months and €17 million over 12 months

	129 sites 72% *	78 sites 23% *	8 sites 5%*
GAV ITT	€4,615 million	€1,449 million	€357 million
2014 Values (as a reminder)	***€2,067 million 78%***	***€380 million 14%***	***€221 million 8%***

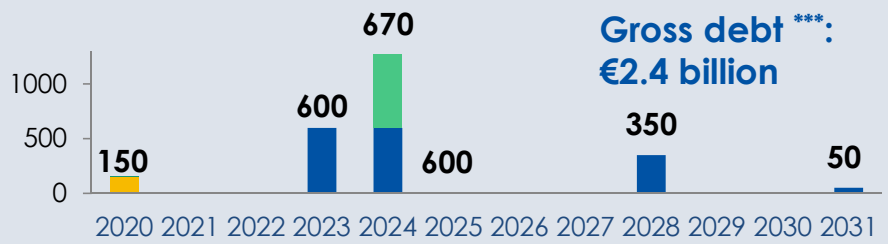
- **215 assets**
- **GAV ITT** €6.421 billion
- **Gross leasable area** 1.57 million m²
- **Annualised rents** €362 million
- **Average exit rate**** 5.90%
- **Average Net Initial Yield** 5.64%

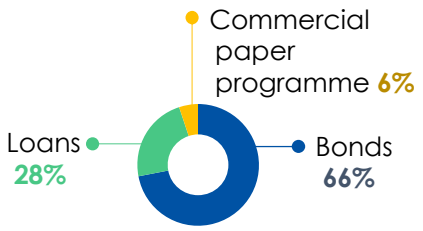
(*) % of the market value including transfer taxes at 31 December 2019
(**) Average capitalisation rate of the portfolio in 2019 external appraisals
(***) Average yield of the occupied units

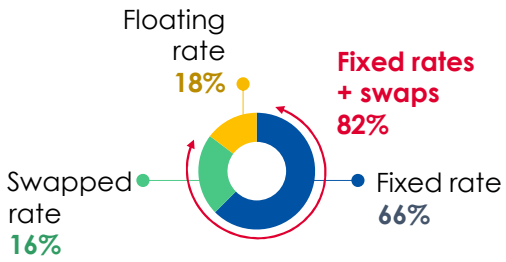
A solid and optimised financial structure

Average remaining maturity	LTV ratio*	Interest coverage ratio**	Net debt / EBITDA
5.0 years	**34.9%**	**5.0x**	**7.9x**

Debt amortisation table







(*) Net debt compared to the appraisal value including transfer taxes
(**) EBITDA / cost of debt over 12 months - Value 31 December 2019
(***) Gross loan outstandings excluding accrued interest, issuance costs and derivatives

Key highlights for the year

- Implementation of an EMTN programme
- Issuance of a €50 million private placement maturing in 2031
- Extension of hedges
- One year extension of bank debt maturity and back-up credit line for €759 million

Available liquidity reserves at 31/12/19