



PRESS RELEASE

## FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2020

Boulogne-Billancourt, 23 October 2020

- **Retailer sales and shopping centre footfall satisfactory in France, fair in Italy and down in Spain**
- **Well-oriented operating activity**
- **Covid-19 negotiations with tenants well-advanced; collection rate satisfactory**

*“Amid a critical health context, Carmila's satisfactory performances in the third quarter of 2020 once again underline the high-quality positioning of its leading local shopping centres. Carmila's teams have provided sustained support for retailers, with individual tenant negotiations designed to facilitate business recovery in the best possible conditions.*

*The Group's leasing and sales activity has been encouraging, and with a level of debt among the lowest in the industry, Carmila's financial position is healthy and solid. We must however remain vigilant given the recent developments in the overall health situation in the three countries in which we operate,”* commented Alexandre de Palmas, Chairman and Chief Executive Officer of Carmila.

### 1. Leasing activity for the first nine months of 2020

<i>In thousands of euros</i>	<b>30 September 2020</b>	30 September 2019	% change 2020/2019
<b>Gross rental income</b>	<b>250,361</b>	268,452	<b>-6.7%</b>
<b>Net rental income</b>	<b>226,828</b>	250,851	<b>-9.6%</b>
France	150,641	168,563	-10.6%
Spain	62,800	65,602	-4.3%
Italy	13,387	16,686	-19.8%

Carmila's net rental income for the first nine months of 2020 came out at **€226.8 million** compared with €250.9 million over the same year-ago period, representing a year-on-year decrease of **9.6%**.



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### Main health crisis impacts reflected in the financial statements at 30 September 2020

Carmila has **waived the second-quarter rents of small businesses ("TPE") in France** at the request of the government. The full impact of the loss was recognised in gross rental income at 30 September 2020 **in the amount of €10.5 million**.

For the other tenants, negotiations are ongoing for specific rent abatements in light of the government-ordered closures. **For agreements signed as at 30 September 2020**, rent abatements granted without concessions have been recognised in the financial statements (negative €1.4 million impact in third-quarter 2020) and rent-free periods granted in exchange for lease extensions are being amortised over the residual term of the lease (negative €0.5 million impact in third-quarter 2020).

The additional adverse impact on 2020 gross rental income in the fourth quarter of Covid-19 rent abatements currently being negotiated as at 30 September 2020, or for which the associated legal agreements are in the process of being finalised, is expected to be between €16 million and €20 million. Allowances for variable rents have also been adjusted downwards (negative impact of €3.8 million) and allowances for irrecoverable receivables have been set aside (negative impact of €4.0 million).

## 2. Retailer trading

### Retailer sales and footfall

Compared with the third quarter of 2019, Carmila's shopping centres saw their **average footfall drop 12.5%** in third-quarter 2020 (down 8.8% in France, 20.6% in Spain and 23.5% in Italy). However, their locations within the heart of the regions helped them to **outperform the sector\* by almost 5 percentage points** in France and Spain over the period.

**Retailer sales saw a contained 6.5% decline over the period** (slight declines of 2.4% in France and of 2.5% in Italy, and a steep 18.7% drop in Spain). The Ready-to-wear segment was up by 1.7% in France, but fell back in Spain (down 20%) and Italy (down 5.2%). Household Furnishings maintained its strong recovery in all three countries (up 14.1% in France, 4.7% in Spain and 13.2% in Italy).

### Update on Covid-19 negotiations with tenants

Since the start of the pandemic, Carmila has worked tirelessly to support its retailers, suspending all second-quarter 2020 rents and charges and deferring payment dates to 30 September 2020 in France and Italy, and to 30 June and 31 July in Spain.

Besides waiving three months' rent for small businesses ("TPE") in France, Carmila also initiated individual negotiations with its 3,700 other retailers in the Group's three countries, granting individual relief based on the concessions agreed by the tenants (e.g., lease term extensions or renewals, or the signing of new leases).

To date, finalised negotiations represent 48% of gross rental income in France, 68% in Spain and 70% in Italy. Negotiations and the finalisation of the associated legal agreements will continue at least until the first quarter of 2021.

Based on the concessions agreed, the total impact of the rent-free periods granted remains contained, representing a rent-free period of around 1.7 months in France, 1 month in Spain and 1.5 months in Italy.

Ongoing negotiations with tenants have resulted in **satisfactory collection rates in all three countries, which are continuously improving**.

\* Panel Quantaflow/French Council of Shopping Centres (CNCC) for France, panel Footfall for Spain.



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### Collection rate

**In France, the collection rate for third-quarter rents** (quarterly rent invoiced and payable on 1 July 2020) **stood at 85%, 94% of which was for signed negotiations**. For second-quarter rents (quarterly rent invoiced and payable on 30 September 2020), the collection rate was 61%, 75% of which was for signed negotiations. Continuing negotiations over second-quarter rents temporarily weighed on the collection rate for **fourth-quarter rents** (quarterly rent invoiced and payable on 1 October 2020), which stood at 58%, 86% of which was for signed negotiations.

**In the Group's three countries, the average collection rate for third-quarter rents** (quarterly rent invoiced and payable on 1 July 2020 for France, monthly rent invoiced in advance for Spain and Italy) **stood at 78%, 92% of which was for signed negotiations**. For second-quarter rents (quarterly rent invoiced and payable on 30 September 2020 for France, monthly rent invoiced in advance for Spain and Italy), the collection rate was 63%, 77% of which was for signed negotiations. Negotiations over second-quarter rents temporarily weighed on the collection rate for **fourth-quarter rents** (quarterly rent invoiced and payable on 1 October 2020 for France, monthly rent invoiced in advance for Spain and Italy), which stood at 61%, 82% of which was for signed negotiations.

### **3. Operating activity in third-quarter 2020**

#### **Uninterrupted leasing momentum across all three countries**

In the Group's three countries, leasing activity remained brisk, with 98 new leases signed, on a par with the same year-ago period.

#### **Ten new retailers to open at the Bay 2 shopping centre before the end of 2020**

The Bay 2 shopping centre (in Collégien, Seine-et-Marne) confirmed its appeal to retailers and customers thanks to the energy and hard work of the centre's teams.

Despite the health crisis, operating activity in the centre proved robust:

- seven new retailers have opened their doors since the start of the year (*Nouvelle Literie, Bonobo, Maison 123, Karenza, Le Repaire des Sorcières, Borgan Couture* and *Cache-cache*);
- three other projects are planned, including the opening of Danish retailer *Normal*, a first for the Seine et Marne region;
- the centre's longstanding retailers (*Jeff de Bruges, SFR, Valège* and *Courir*) are to revamp their stores in line with their latest concepts.

#### **Marquette, a concept store for French digital native vertical brands**

At the Labège 2 shopping centre in Toulouse, Carmila joined forces with Digital Native Group to open Marquette, its first concept store. Marquette is dedicated exclusively to Digital Native Vertical Brands (DNVB).

This unique space gives some of France's most on-trend labels (*My Jolie Candle, Faguo, Cabaïa, Nooz, Les Miraculeux, Merci Handy* and *Le Chocolat des Français*) a showroom of close to 300 sq.m. to display their best-selling online products. This collaborative brick-and-mortar store concept proposes a wide range of cosmetics, ready-to-wear, accessories, confectionery, wellness and other products, and aims to bridge the gap between physical and online retail. The new store thereby provides these popular online brands with the opportunity to raise their profile.



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**Business generated through pop-up stores continues to grow**, buoyed by the signing of 15 new leases.

**Through its local digital marketing strategy**, Carmila continues to help its retailers grow sales by increasing the visibility of their products and latest developments in the vicinity of its shopping centres:

- initiatives targeting retailers were rolled out at the busy start of the school year in France, for example, and to help boost attendance at cinemas in Spain;
- digital services on the *Kiosque* platform helped ensure successful launches of omni-channel initiatives in the Group's three countries (enhanced customer database and digital solution to streamline administration for new retailers).

### **Business development: Carmila continues to support its talented, dynamic retailer partners in developing innovative concepts**

To boost the products and services on offer in its centres and provide customers with the renewed offerings that they expect, Carmila has granted financial aid to retailer partners, including barbers *La Barbe de Papa*, footwear and accessories specialist *Indémorable*, and e-cigarette vendor *Cigusto* in France, as well as *Centros Ideal* beauty clinics in Spain and, in healthcare, the pharmacist *Pharmavalley* and dental clinic network *Vertuo*.

To date, *La Barbe de Papa* already has a network of 64 stores, including 30 in Carmila-owned centres (29 branches and 1 franchise) and *Indémorable* has 8 stores in Carmila centres, including a recently-opened store in Aix-en-Provence. *Cigusto* offers its products in 60 stores, including 20 in centres owned by Carmila.

By the end of 2020, *La Barbe de Papa* plans to open six new stores and to launch new concepts. *Indémorable* continues to develop and is to open six further stores, while *Cigusto* has 10 new stores in the pipeline.

### **Carmila presents Carmila Franchise & Development, a turnkey service to support tenants and franchisees**

Drawing on its retail DNA and extensive local knowledge, Carmila created Carmila Franchise & Development, which forms part of its strategy of positioning itself as a business facilitator for retailers by offering bespoke support. Carmila facilitates the entire set-up process and is involved in steps from analysing requirements, prospecting and sourcing candidates, to connecting stakeholders and assisting with all marketing and digital launch initiatives.

Carmila Franchise & Development thereby offers broad-based support to local retailers aiming to expand using a franchise model or affiliate network, as well as to franchisors seeking experienced retailers.

### **La Banque Postale opts for a local touch with Carmila for its annual tour**

In a bid to connect more closely with their customers, La Banque Postale and other retailers have chosen Carmila's shopping centres thanks to their role as key regional players.

Carmila Event, Carmila's integrated events agency, is getting involved in the annual "Sur la route de vos projets" tour launched by La Banque Postale Financement (a La Banque Postale subsidiary), RMC, My Cuisine and 01net in eight Carmila shopping centres. For this event, where experts and advisors are on hand for consultation, Carmila makes its extensive network available to the retailers while at the same time strengthening its local service relationship with its customers.



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### **Carmila picks up two EPRA Gold Awards**

As part of its Best Practices Recommendations, EPRA awarded Carmila a Gold Award for the third consecutive year as an acknowledgement of the Group's high-quality financial reporting. This year, Carmila also picked up a second Gold Award for its 2020 sustainability reporting as part of ERPA's Sustainability Best Practices Recommendations (sBPR).

### **4. CSR highlights for third-quarter 2020**

As part of its "Here we act" sustainability drive, Carmila rolled out further positive-impact initiatives aimed at boosting regional economies, protecting the environment and motivating employees.

In the regional economy space, Carmila is intensifying its partnerships with local not-for-profit stakeholders. Since early September, the Cap Saran shopping centre, which is already involved in a broad spectrum of not-for-profit projects such as second-hand clothing sales, has hosted the Emmaüs Loiret and La Ressource AAA charities at a circular economy pop-up store selling pre-owned clothing and other articles donated to or designed by the charities.

During the third quarter, Carmila completed the environmental audit of its shopping centres and set itself new targets, including a 50% reduction in GHG emissions and a 40% reduction in energy consumption by 2030. Consistent with its proactive drive to continuously improve its environmental performance, Carmila visited all of the sites audited in 2020 for BREEAM in-Use certification in France and Spain.

After presenting its CSR strategy to all of its teams, during the summer Carmila organised "Mydea", a brainstorming initiative designed to promote innovative employee sustainability projects. The CSR momentum was maintained over Sustainable Development Week, with a host of employees taking part in workshops and conferences on climate-related and responsible consumption issues.

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#### **INVESTOR AGENDA**

**17 February 2021** (after trading): 2020 Annual Results  
**18 February 2021** (9:00 a.m. Paris time): Investor and Analyst Meeting  
**22 April 2021** (after trading): First-quarter 2021 Financial Information  
**28 July 2021** (after trading): 2021 Half-year Results  
**29 July 2021** (2:30 p.m. Paris time): Investor and Analyst Meeting



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### ABOUT CARMILA

As the third largest listed owner of commercial property in continental Europe, Carmila was founded by Carrefour and large institutional investors in order to transform and enhance the value of shopping centres adjoining Carrefour hypermarkets in France, Spain and Italy. At 30 June 2020, its portfolio was valued at €6.2 billion, comprising 215 shopping centres, all leaders in their catchment areas. Driven by an ambition to simplify and enhance the daily lives of retailers and customers across the regions, the local touch is at the heart of everything Carmila does. Carmila's teams have a deeply-anchored retail culture, comprising experts in all aspects of retail attractiveness: operations, shopping centre management, leasing, local digital marketing, business set-ups and CSR.

Carmila is listed on Euronext-Paris Compartment A under the symbol CARM. It benefits from the tax regime for French real estate investment trusts ("SIIC").

Carmila became part of the FTSE EPRA/NAREIT Global Real Estate (EMEA Region) indices on 18 September 2017.

Carmila became part of the Euronext CAC Small, CAC Mid & Small and CAC All-tradable indices on 24 September 2018.

### IMPORTANT NOTICE

Some of the statements contained in this document are not historical facts but rather statements of future expectations, estimates and other forward-looking statements based on management's beliefs. These statements reflect such views and assumptions prevailing as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or events to differ materially from those expressed or implied in such statements. Please refer to the most recent Universal Registration Document filed in French by Carmila with the *Autorité des marchés financiers* for additional information in relation to such factors, risks and uncertainties. Carmila has no intention and is under no obligation to update or review the forward-looking statements referred to above. Consequently, Carmila accepts no liability for any consequences arising from the use of any of the above statements.