

**SUPPLEMENT DATED 12 NOVEMBER 2020  
TO THE BASE PROSPECTUS DATED 5 AUGUST 2020**



**Carmila  
€ 1,500,000,000  
Euro Medium Term Note Programme**

This supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 5 August 2020 granted approval no. 20-381 on 5 August 2020 (the "**Base Prospectus**") by the *Autorité des marchés financiers* (the "**AMF**") prepared by Carmila (the "**Issuer**") with respect to its outstanding Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. The Base Prospectus, as supplemented, constitutes a base prospectus for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time, the "**Prospectus Regulation**").

Application has been made to the AMF for approval of this Supplement in its capacity as competent authority pursuant to the Prospectus Regulation.

This Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purposes of (i) amending the "*Risk Factors*" section of the Base Prospectus, (ii) updating the "*Recent Developments*" section of the Base Prospectus with the press releases of the Issuer relating to (a) its Q3 results for 2020, (b) the appointment of its new Chairman and Chief Executive Officer and (c) the suspension of its change in recurring earnings objective for 2020 and (iii) amending the "*General Information*" section.

A copy of this Supplement will be available on the websites of (i) the Issuer ([www.carmila.com](http://www.carmila.com)) and (ii) the AMF ([www.amf-france.org](http://www.amf-france.org)).

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus.

## TABLE OF CONTENTS

	Page
RISK FACTORS .....	3
RECENT DEVELOPMENTS.....	4
GENERAL INFORMATION .....	10
PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT .....	11

## **RISK FACTORS**

On page 12 of the Base Prospectus the second paragraph of the section entitled "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme*" is replaced by the following paragraph:

"The risks that may affect the Issuer's ability to fulfil its obligations issued under the Programme are set out in particular on pages 127-138 of the *Document d'enregistrement universel* of the Issuer for the year ended 31 December 2019 incorporated by reference into this Base Prospectus, as set out in the section "*Documents Incorporated by Reference*" on pages 22-26 of this Base Prospectus. The Issuer considers that such risks remain up-to-date and relevant in the current circumstances, in particular as regards the ongoing sanitary crisis, and are corroborated more particularly by the content of the press release regarding the publication of the Issuer accounts for the 3rd quarter, incorporated in the section "*Recent Developments*" of this Base Prospectus. The categories and headings of each risk factor is set out below:"

## RECENT DEVELOPMENTS

The following paragraphs shall be inserted in a new "Recent Developments" section to be added before the "Form of Final Terms" on page 64 of the Base Prospectus:

"On 23 October 2020, the Issuer published the following press release regarding the publication of its accounts for the 3<sup>rd</sup> quarter ended 30 September 2020:

### "FINANCIAL INFORMATION AS AT 30 SEPTEMBER 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>	<b>30 September 2019</b>	<b>% change 2020/2019</b>
<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	<b>150,641</b>	168,563	-10.6%
Spain	<b>62,800</b>	65,602	-4.3%
Italy	<b>13,387</b>	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%**.

## **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**.

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

## 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 Sorciers, 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.

**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.

## **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."

On 3 November 2020, the Issuer published the following press release regarding the appointment of Marie Cheval as its new Chairman and Chief Executive Officer:

### **"Statement from the Board of Directors**

#### **Appointment of Marie Cheval as Chairman and Chief Executive Officer of Carmila**

Further to the selection process launched by Carmila's Board of Directors on 16 June 2020, and following the opinion of the Compensation and Nomination Committee, the extraordinary Board of Directors' meeting of 2 November 2020 appointed Marie Cheval to succeed Alexandre de Palmas as Chairman and Chief Executive Officer of Carmila with effect from 3 November 2020.

As Director of Carrefour France Hypermarkets since 2018, Marie Cheval has successfully overseen the transformation plan for the Carrefour group's hypermarkets, a key format for Carmila whose strategy is based on their dynamism and operational synergies. As a member of the Board of Directors of Carmila since 2018, Marie Cheval has actively participated in defining and monitoring the progress of Carmila's strategy, and she is very familiar with Carmila's portfolio and teams.

Marie Cheval is a graduate of Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the French General Inspectorate of Finance. From 2002 to 2011, she held a number of positions with the La Poste group and La Banque Postale. In 2011, Marie Cheval joined the Société Générale group as Director of Global Transactions and Payment Services. She was appointed Chief Executive Officer of Boursorama, a listed company, in 2013. In 2017, Marie Cheval joined the Carrefour group as Executive Director Customers, Services and Digital Transformation for the group and France. In 2018, she was appointed Executive Director Financial Services and Hypermarkets France.

Following Alexandre de Palmas' decision on 15 June 2020 to take up the position of Executive Director of Carrefour Spain, the Board of Directors instructed the Compensation and Nomination Committee to draw up recommendations on the governance of the Company and, on that basis, to launch a selection process with a view to appointing his successor.

The Board of Directors placed on record its unanimous thanks to Alexandre de Palmas for his service to the Company he joined as Director and Chairman and Chief Executive Officer on 1 July 2019. He remains a Director of the Company."



On 5 November 2020, the Issuer published the following press release regarding the suspension of its change in recurring earnings objective for 2020:

**"In light of developments in the health crisis, Carmila suspends its change in recurring earnings objective for 2020**

In response to a second wave of the Covid-19 pandemic, fresh restrictions have recently been imposed in several European countries, particularly France and Spain. In France, the government ordered the closure of non-essential stores from 31 October, while rules are being tightened in Spain and Italy based on decisions made at the regional level.

On 30 July 2020, Carmila announced that it had set itself the objective of a change in recurring earnings of between -14% and -18% for 2020. This outlook was based on the assumption that no re-containment measures or closures of sites to the public would occur in the second half of 2020.

The most recent lockdown measures and restrictions on movement imposed by the authorities have impaired the Group's visibility over, and ability to project, its 2020 results. Accordingly, Carmila is suspending its 2020 change in recurring earnings objective published on 30 July 2020.

In view of its deep roots in local communities, Carmila has worked to keep 100% of its shopping centres open so that essential retailers can continue to operate, including 34% of stores in its French centres and all Carrefour hypermarkets.

Carmila's shopping centres continue to apply the current health rules with the utmost care so as to protect the health of customers, on-site teams, retailers, customers and service providers.

Carmila will continue to support retailers in its centres during this difficult time.

Carmila's financial position remains sound, with a strong liquidity position and disciplined debt levels."''

## GENERAL INFORMATION

On page 80 of the Base Prospectus, paragraph 5 of the "*General Information*" section shall be replaced in its entirety by the below paragraph:

- "5. Except as disclosed in this Base Prospectus (including with respect to the impact of the sanitary crisis resulting from the coronavirus (COVID-19)), there has been no significant change in the financial position or financial performance of the Issuer or of the Group since 30 September 2020, and no material adverse change in the prospects of the Issuer since 31 December 2019."

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

To the best knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect the import of such information.

### **Carmila**

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France

Duly represented by:

Pierre-Yves Thirion, *Directeur Financier*

Dated 12 November 2020



### ***Autorité des marchés financiers***

This Supplement has been approved on 12 November 2020 by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Supplement after having verified that the information contained in the Base Prospectus, as supplemented, is complete, coherent and comprehensible in accordance with Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer and on the quality of the Notes described in the Base Prospectus, as supplemented. Investors should make their own assessment of the opportunity to invest in such Notes.

This Supplement has been given the following approval number: 20-552.