

Boulogne-Billancourt, 17 February 2021

2020 Annual Results

In a year characterised by the health crisis and attendant business restrictions, Carmila's core business was resilient and its financial structure solid:

- Encouraging performances on business resumption during the different reopening phases
- Stable rental base, down just 0.5% versus 2019
- Dynamic leasing activity
- Decline in the valuation of the asset portfolio limited to 4.7% on a like-for-like basis
- EPRA Net Tangible Assets of €24.72 per share
- Loan-to-value ratio (including transfer taxes) at 37.0%
- Recurring earnings of €167.6 million, down 24.7% versus 2019, at €1.20 per share

Marie Cheval, Chairman and Chief Executive Officer of Carmila commented: *"In an unprecedented health context for Carmila and for the entire industry, this has been a very demanding year. The multiple challenges brought about by the crisis have served to underline the particular strengths of Carmila's shopping centres: rooted in local regions, backed by the partnership with Carrefour, engaged with their retailers and popular with their visitors. Thanks to the exceptional commitment of the Carmila teams, leasing activity has remained dynamic, structural projects continued to move forward and the development of growth drivers picked up pace.*

Backed by the partnership with Carrefour, and with a solid financial position, stable rental base and stronger growth drivers, Carmila has a good platform from which to take advantage of the business resumption."

Key financial information

In Carmila's three countries (France, Spain and Italy), business momentum was brisk in the first quarter of 2020, before being adversely impacted by the health crisis.

Carmila's shopping centres had to contend with an initial period of forced store closures from mid-March to end-May 2020, then the gradual reopening of some or all stores, followed by a host of travel and trading restrictions in all three countries during the third and fourth quarters. In total, the closure periods amount to an average of three months across France, Spain and Italy.

The key financial performance indicators for 2020 were adversely impacted as follows:

- **Retailer sales** retreated by **19.1%**.
- **Net rental income** contracted to €270.8 million, a decrease of **18.7%** on a reported basis and of 18.4% like for like.
- **EBITDA¹** for the year amounted to €220.2 million, **down 22.1%** versus 2019.
- **Recurring earnings per share²** for 2020 came out at **€1.20 per share**, retreating by 26.7%.
- **The asset value of the portfolio (including transfer taxes)** at year-end amounted to **€6,148 million**, down **4.7%** on a like-for-like basis. The **average exit rate** was 6.20% (up 30 basis points over the year).
- Carmila's **net asset value** (EPRA Net Tangible Assets) at 31 December 2020 was **€24.72 per share** versus €27.76 per share at end-2019, down 10.9%.
- **The loan-to-value ratio (consolidated net debt/fair value of property portfolio, including transfer taxes)** stood at **37.0%** and at 38.9% when transfer taxes are excluded.

¹ Including income related to the impact of deferring Covid-19 rent relief in accordance with IFRS 16, in an amount of €18.5 million

² EPRA earnings restated for non-recurring items described in the Annual Financial Report published on the Company's website. Calculated based on an average number of shares for the period, fully diluted.

2020 results

Gross rental income for 2020 totalled **€349.7 million**, down **2.7%** year on year. The decline mainly reflects (i) the IFRS 16 impact of rent-free periods granted in connection with the health crisis in exchange for lease extensions and (ii) adjustments made to provisions for variable rents for the months during which stores were closed.

Net rental income for 2020 amounted to **€270.8 million**, down by **18.7%**, chiefly due to the direct and indirect impacts of the health restrictions.

The total year-on-year decrease amounted to €61.3 million like for like, or 18.4%. Adverse Covid-19 impacts (included in like-for-like data) over the year reduced net rental income by €56.7 million, or 17.0%. Organic growth as adjusted for these specific impacts was a negative 1.4%, and includes a positive 1.5% indexation effect.

Growth spurred by lease extensions represented €1.0 million, or 0.3%.

No acquisitions were carried out in 2019 or 2020.

Other effects reduced net rental income by €2.1 million (0.6%), including the impact of strategic vacancies to allow for restructuring and extension operations.

During the period, Carmila held **negotiations with its lessees** with a view to supporting them through the crisis by granting rent relief.

Overall, the impact of the various forms of relief granted represented **€69.6 million, equivalent to 1.9 months of rents**, of which €51.0 million was written off against 2020 income. The remaining €18.5 million (deferred in accordance with IFRS 16) will impact income in future reporting periods.

70% of Covid-19-related negotiations have been agreed and signed.

Certain negotiations were concluded without any concessions, in direct application of government measures, notably three months of rent waivers (€9.6 million) for small businesses. The other negotiations were conducted on a tenant-by-tenant basis, and concluded with or without concessions (55% included extensions to non-cancellable lease terms or commitments for new leases, which have strengthened the rental base).

Out of the total rents invoiced in 2020, 77.3% have been collected, 18.0% have been waived as Covid-19 rent relief and 4.7% were pending collection at 31 December 2020. To date, Carmila has already recovered 3.0% of this amount, **lifting the rent collection rate to 80.3%**.

Rent collection rates improved after shops reopened in the third quarter (84.9%), whereas the second (53.3%) and fourth (74.3%) quarters were impacted by lockdowns and other government-imposed restrictions.

The **rental base** remained **broadly stable over the period (down 0.5%)**, thanks notably to a dynamic leasing performance that underlines the resilience of Carmila's core business.

Overhead costs declined by 3.6% in 2020 to **€50.9 million** versus €52.8 million one year earlier, with the decrease reflecting savings generated in light of the health crisis.

EBITDA came in at **€220.2 million** in 2020, a decline of 22.1%.

Net financial expense for 2020 amounted to **€75.6 million** versus €58.1 million one year earlier. The cost of net debt at 31 December 2020 remained stable year on year at €56.7 million. Net Other financial expense for the year increased due to the bond redeemed in November 2020 and other adjustments in connection with the application of IFRS 9. The average cost of debt for the year stood at 1.9%.

EPRA recurring earnings amounted to **€167.6 million** for 2020, versus €222.5 million in 2019, representing a decrease of 24.7%.

Recurring earnings per share fell 26.7% year on year to **€1.20**.

Footfall and retailer sales performance

2020 was characterised by five different phases depending on the health restrictions decided at a national level in France or on a regional basis in Spain and Italy. The restrictions varied widely depending on the period and the country (lockdowns, states of emergency, curfews, opening limited to stores selling "essential" goods, capacity restrictions and weekend closures of shopping centres).

In 2020 in the Group's three countries, Carmila's shopping centres recorded **declines in footfall of 20.9%** on average, less than the industry average³ thanks to the positioning of its centres and the strength of the Carrefour hypermarkets, whose utility came to the fore during the crisis.

During the lockdowns, essential goods stores in centres remained open – representing 6% of retailers (rental value) in the three countries during the first lockdown between March and mid-May. In France, 34% of shops remained open during the second lockdown in November.

Over 2020 as a whole, footfall in Carmila centres outperformed its comparable panels in the Group's three countries by 750 basis points in France, 640 basis points in Spain and 320 basis points in Italy. On reopening, footfall virtually bounced back to normal (92% of prior-year levels in France in December).

Retailer sales declined by a cumulative **19.1%**⁴ year on year in the Group's three countries, with France down 16.0%, Spain down 29.1% and Italy down 25.6%.

The impact of the crisis on the different business segments was variable: Food & Restaurants was the hardest hit (down 33% in France, 37% in Spain and 36% in Italy), followed by Health & Beauty (down 15% in France, 28% in Spain and 31% in Italy) and Culture, Gifts & Leisure (down 14% in France, 28% in Spain and 29% in Italy).

In the Group's three countries, retailer sales for Ready-to-Wear also retreated (down 24% in France, 36% in Spain and 35% in Italy).

Household Furnishings was the most dynamic segment in 2020 (down just 3% in France, 18% in Spain and 9% in Italy).

In all three countries, retailer sales were up in the first two months of the year (by 1.0% in France, 3.8% in Spain and 1.3% in Italy) as well as in France during the reopening periods (up 2.6% excluding seated food service, which remained closed).

Leasing activity

Leasing activity was robust during the year, with **684 leases signed (11% of Carmila's rental base)**, representing minimum guaranteed rent of €36.1 million, and rents in line with appraisal values. Leasing activity concerned contracts signed for (i) 370 vacant premises, (ii) 21 premises on extension projects, and (iii) 293 renewals.

Due to the closure of the centres, revenues derived from Specialty Leasing and Pop-up Stores in all three countries retreated by 10.5% year on year, although they continued to gain ground as a proportion of net rental income (4.7%), attesting to the efficiency and resilience of this model.

The average **reversion rate** on renewals over the year was a positive **2.2%** (1.6% in France, 2.8% in Spain and 5.4% in Italy).

At 31 December 2020, the **financial occupancy rate**⁵ was **95.7%**, down slightly from 96.3% at end-2019. The increase in the vacancy rate was limited to 60 basis points.

³ Quantaflow for France, Shoppertrak for Spain and CNCC for Italy.

⁴ Excluding seated food service.

⁵ Excluding 2.5% of strategic vacancies at end-2020, versus 1.8% at end-2019.

Administration proceedings concerning a few major Ready-to-Wear brands did not have a material impact on the vacancy rate. At 31 December 2020, 1.4% of Carmila's rental base was subject to ongoing insolvency proceedings, with 83% of insolvencies during the year resulting in a takeover or re-leasing.

Digital marketing strategy

Since its creation, Carmila has implemented a distributed marketing strategy that equips every shopping centre with effective marketing and digital tools. During the health crisis, these tools have allowed Carmila to remain responsive and adaptable in pursuit of two priority objectives:

- **Supporting retailers (whether open or closed) with a strong and permanent omnichannel presence**

Throughout the year, Carmila kept up a constant dialogue with all of its retailers (open or closed), and pressed ahead with the rollout of the Kiosk, a local marketing solutions initiative aimed at developing the appeal of its retailers' stores. In 2020, Carmila ran 8,783 marketing campaigns for its points of sale. In France, digital drive-to-store marketing campaigns helped generate 3 million visits to Carmila shopping centres (up 14.8% versus 2019).

In order to help retailers generate sales despite the crisis, Carmila was especially active in supporting their omnichannel development. A host of click-and-collect initiatives were put in place locally to support retailers using collection points inside the centres or dedicated drive-in pick-up points. In Spain, Carmila also joined forces with Shopify to assist retailers in creating their own online sales presence.

- **Strengthening ties with customers**

In 2020, Carmila prioritised informing and reassuring customers on the comprehensive application of strict health protocols, and sharing local initiatives to support all of its retailers, whether open or closed. Carmila regularly contacted its 3.5-million strong customer base, and mobilised its entire digital eco-system (shopping centre websites, Google My Business, Facebook, etc.).

Thanks to these communication initiatives and the health protocol put in place, 93% of customers reported feeling secure during their visits to Carmila shopping centres⁷.

Backed by these actions and the excellent on-site operational execution, Carmila obtained a visitor satisfaction rate in France of 87%⁶ and a Net Promoter Score of +7 – up two points on 2019⁷.

⁶ 2020 Carmila France/Spain survey.

⁷ Customer survey conducted in October 2020; 34,017 respondents in 100 centres in France

Project pipeline

In view of the health crisis, Carmila decided to streamline the implementation of its shopping centre extension projects. With the exception of the main ongoing projects, Carmila's pipeline has been put on hold, able to be reactivated as soon as conditions are right. Carmila will focus on the five highest-potential projects (Terrassa, Montesson, Antibes, Toulouse Labège and Vénissieux).

Two extension-restructuring projects are in the process of being completed:

- Extension of Nice Lingostière to host 50 new banners, including Cultura, Kiabi, H&M, Foot Locker and Mavrommatis, over an additional gross leasable area of 8,000 sq.m. This project represents an investment of €90 million, is fully pre-leased and slated to open in the spring of 2021.
- Transformation of Cité Europe (Calais-Coquelles), with the new and fully modernised Cité Gourmande food and leisure space, and the new Primark store, which opened on 29 January 2021. This project represents an investment of €33 million.

Growth drivers

Innovative property projects

Carmila is planning to transform certain of its sites as part of urban diversity projects (around 20 sites currently being studied) and is set to play a significant role in three urban development projects launched by Carrefour in partnership with Altarea on the Flins/Aubergenville, Nantes Beaujoire and Sartrouville sites, which are jointly owned by Carmila.

Other projects aimed at consolidating the leadership of Carmila's sites are moving forward:

- 10 Food Park projects;
- 5 hypermarket downsizings in partnership with Carrefour.

Carmila Retail Development

In 2020, Carmila accelerated the expansion of Carmila Retail Development, which is dedicated to investing in promising new concepts. Carmila gives financial support to dynamic entrepreneurs who wish to focus their development on its centres, following in the footsteps of men's hair salon La Barbe de Papa, shoe store Indémorable, e-cigarette retailer Cigusto, and the Centros Ideal beauty clinics in Spain.

The health crisis has showcased the professionalism of Carmila's partner entrepreneurs who have continued to develop with almost 40 new store openings in 2020.

At 31 December 2020, Carmila Retail Development's four main partners operated 76 stores in the Group's French and Spanish shopping centres, representing annual rents of €2.8 million and a total of 111 stores in both countries, including 35 with third-party lessors.

These banners are planning to open a further 50 stores by the end of 2021, representing total additional annual rents of €1.2 million.

In 2020, Carmila Retail Development joined forces with new innovative partners such as digital native vertical brands (DNVB) concept store Marquette, created with Digital Native Group.

The Group has ambitious aims to develop Carmila Retail Development going forward.

Healthcare

To respond to clearly-expressed customer expectations, reinforced by the health crisis and in line with the vital role played by its centres, Carmila is continuing to roll out its healthcare offering. It is using the strengths of its shopping centres in terms of their urban settings, accessibility and parking facilities as a platform to deploy its healthcare strategy, based around two priority avenues for development:

- Development of dental care centres based on the best brands in the profession as part of the Vertuo joint venture in France and DentalStar in Spain.
- Development of pharmacies in the scope of the Pharmalley joint venture.

Some 15 projects have been planned for 2021 – including opening two pharmacies, ten Vertuo and two DentalStar centres – and Carmila is aiming to develop a total of 60 projects by 2025.

Tower Company (Lou5G)

Through its Lou5G subsidiary, which owns the land, Carmila leases plots to telecom operators for their mobile mast installations in France. Created in 2019, the business was structured in 2020, with 67 masts installed to date and a further 35 planned in 2021.

Corporate social responsibility

In 2020, Carmila further strengthened its CSR commitments, as expressed through its CSR initiatives programme “Here we act”, which is founded on three pillars.

Pillar 1: Here, we act for the planet

Carmila is committed to continually improving its environmental performance and to contributing to the fight against climate change. In 2020, Carmila cut its greenhouse gas emissions by 28% and its energy intensity by 36%. Carmila has set itself a target of a 50% reduction in greenhouse gas emissions by 2030. The Group’s environmental performance has been rewarded with an “A-” rating from the Carbon Disclosure Project.

As of 31 December 2020, BREEAM certification had been awarded to 88% of the portfolio in value terms, exceeding the target for the year of 75%.

Pillar 2: Here, we act for the local regions

Drawing on its strong local roots, in 2020 Carmila decided to step up its job support programmes by expanding the range of solutions available to the centre managers. Carmila has also launched a partnership with Student Pop and is aiming to introduce local job support initiatives in each of its centres by 2022.

Carmila prioritises local players when choosing its partners. 72% of its works investments during the year – €50 million – were allocated to regional businesses.

Lastly, Carmila encourages local community outreach actions. In response to the health crisis, 17 shopping centres deployed drop-in centres for victims of domestic violence and 16 shopping centres hosted Covid-19 testing facilities.

Pillar 3: Here, we act for employees

Carmila is committed to promoting diversity of profiles among its employees, with particular attention to upholding workplace equality. The workplace equality index stood at 84/100 in 2020, with Carmila having targeted 90/100 in 2022. The Group also promotes youth employment, with apprentices making up 17% of the total workforce.

Lastly, Carmila deploys numerous actions to boost engagement among its employees, 84% of whom declare themselves satisfied with the Company. Carmila was recognised with an EPRA Gold Award for the quality of its financial and non-financial reporting.

Portfolio valuation

At 31 December 2020, the **gross asset value of the portfolio, including transfer taxes**, stood at **€6,148 million** on a like-for-like basis, down €298.1 million (-4.7%) compared to 31 December 2019. The year-on-year 4.7% decrease in the like-for-like portfolio valuation includes an exit rate effect (4.6%) and a rent effect (0.1%).

This limited decline underlines the resilience of the rental base, 2020 leasing activity in line with market rental values and a contained vacancy rate.

The **average exit rate** for the portfolio was **6.20%** at 31 December 2020, representing a 30-basis-point decompression over the year.

Debt and balance sheet structure

Carmila increased its liquidity in 2020, issuing a €300 million bond in December 2020 with maturity in May 2027 and a 1.625% coupon. This issue was 5.5 times oversubscribed, proving the Group's ability to secure attractive rates on bond markets.

At 31 December 2020, Carmila's gross debt stood at €2,586 million, with no major borrowings falling due before 2023, and its available cash position amounted to €311 million. Available liquidity (revolving credit facility and net available cash) amounted to €1,070 million. At 31 December 2020, the average maturity of Carmila's debt was 4.5 years (versus 5.0 years at end-2019).

Carmila's financial position is solid, with a **consolidated loan-to-value ratio (net debt/fair value of property portfolio, including transfer taxes)** of **37.0%** at 31 December 2020 and a **net debt/EBITDA ratio** of **10.3x**.

The **EBITDA/cost of net debt ratio** at 31 December 2020 stood at **3.9x**, compared with 5.0x one year earlier, well above the minimum contractually agreed banking covenant threshold of 2.0x.

On 27 March 2020 as part of an industry-wide review, S&P confirmed Carmila's "BBB" rating with a "negative" outlook.

Dividend

The Annual General Meeting to be held on 18 May 2021 will be asked to vote on a dividend of **€1 per share** in respect of 2020, with a stock dividend option.

Outlook

Given the current lack of visibility over the reopening dates of the shopping centres and on the lifting of government-imposed restrictions adversely impacting trading in France, Spain and Italy, at this stage Carmila is unable to provide guidance for its 2021 results.

However, Carmila remains firmly confident in the vital role played by its shopping centres, in the effectiveness of its business model, and in the solidity of its balance sheet.

In addition, the partnership with Carrefour, dynamic leasing activity, strengthened growth drivers and the operational excellence of its teams will enable Carmila to emerge from the crisis on a solid footing.

Main results and financial indicators:

<i>(in thousands of euros)</i>	31/12/2020	31/12/2019	% change reported
Gross rental income	349,744	359,457	-2.7%
Charges rebilled to tenants	79,621	79,359	
Total Income from rental activity	429,365	438,816	
Real estate expenses	(23,510)	(21,214)	
Rental charges	(71,177)	(71,307)	
Property expenses (landlord)	(63,841)	(13,111)	
Net rental income	270,837	333,184	-18.7%
Overhead expenses	(50,949)	(52,840)	
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(2,849)	(3,493)	
Other operating income and expenses	(2,379)	1,343	
Gains and losses on disposals of investment properties and equity investments	(65)	(610)	
Change in fair value adjustments	(334,267)	(90,172)	
Share in net income (loss) of equity-accounted companies	(3,189)	4,376	
Operating income (loss)	(122,861)	191,788	
Financial income	917	559	
Financial expense	(57,634)	(57,277)	
Cost of net debt	(56,717)	(56,718)	
Other financial income and expenses	(18,903)	(1,389)	
Net financial expense	(75,620)	(58,107)	
Income before taxes	(198,481)	133,681	
Income tax	196	(25,277)	
Consolidated net income (loss)	(198,286)	108,404	
Consolidated net income (loss) attributable to owners	(198,755)	108,213	
EBITDA	220,205	282,569	-22.1%
EPRA earnings	160,986	218,543	-26.3%
Recurring earnings	167,609	222,545	-24.7%
Portfolio valuation (in millions of euros)	6,147.9	6,421.5	-4.3%
EPRA NTA NAV (in millions of euros)	3,529.7	3,799.4	-7.1%
Per-share data (in euros)			
Recurring earnings per share (average)	1.20	1.63	-26.7%
Diluted EPRA NTA NAV per share	24.72	27.76	-10.9%

The Board of Directors of Carmila SA met on 16 February 2021 under the chairmanship of Marie Cheval and approved the 2020 consolidated financial statements. The financial statements have been audited and the audit report is currently being prepared for issue.



Investor agenda

17 February 2021 (after trading): 2020 Annual Results
18 February 2021 (2:30 p.m. CET): Investor and Analyst Meeting
22 April 2021 (after trading): First-quarter 2021 Financial Information
18 May 2021 (9:30 a.m. CET): Shareholders' Annual General Meeting
28 July 2021 (after trading): Interim 2021 Results
29 July 2021 (2:30 p.m. CET): Investor and Analyst Meeting

The presentation of Carmila's 2020 annual results will be broadcast live on 18 February 2021 at 2:30 p.m. (CET) on Carmila's website (www.carmila.com).

The presentation slides will be made available as soon as the webcast begins.

A replay of the webcast will then be available online later during the day.

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.

About Carmila

Carmila was founded by Carrefour and large institutional investors in order to develop the value of shopping centres anchored by Carrefour stores in France, Spain and Italy. As at 31 December 2020, it consists of 215 shopping centres in France, Spain and Italy, mostly leaders in their catchment areas, and was valued at €6.1 billion. Inspired by a genuine retail culture, Carmila's teams include all of the expertise dedicated to retail attractiveness: leasing, digital marketing, specialty leasing, shopping centre management and portfolio management.

Carmila is listed on Euronext-Paris Compartment A under the symbol CARM. It benefits from SIIC (*sociétés d'investissements immobiliers cotées*) tax status (French REIT regime).

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.

On 18 December 2020, Carmila joined the SBF 120 and CAC Mid 60 indices.

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