PRESS RELEASE

Boulogne-Billancourt 28 July 2021

2021 HALF-YEAR RESULTS

In the first half of 2021, Carmila illustrated the effectiveness of its platform with very dynamic leasing activity and stepped-up growth drivers, while taking advantage of its geographical footprint, omnichannel strategy and solid financial position, despite the impact of the prolonged health crisis (cumulative closure of 2.2 months).

- **Firm recovery in retailer sales as stores reopened (retailer sales in France up 5% in June 2021 versus June 2019)**
- **Dynamic leasing activity (541 leased signed, up 40% on first-half 2019 and 140% on first-half 2020)**
- **Positive reversion for new leasings (+3.9% vs rental values) and for renewals (+3.0%)**
- **Financial occupancy rate stable at 95.7%**
- **Stable and solid rental base (-0.6% on a like for like basis versus end-December 2020)**
- **Stable portfolio value at €6,135 million including transfer taxes (-0.2% like for like on end-December 2020)**
- **EPRA Net Tangible Assets at €23.69 per share, down 4%**
- **Recurring earnings of €76.2 million (excluding IFRS 16 Covid impacts), down 18.9% versus first-half 2020, and recurring earnings per share of €0.53 (excluding IFRS 16 Covid impacts)**
- **Collection rate at 69.3% for the first half of 2021**
- **Loan-to-value ratio of 39.4% including transfer taxes at 30 June 2021, temporarily impacted by first-half 2021 rent collection**
- **Liquidity in excess of €950 million; no major refinancing expected before 2023**

Marie Cheval, Chair and Chief Executive Officer of Carmila commented:
"The first half of 2021 was once again shaped by the health crisis, with 2.2 months of closures for Carmila's centres.
In this intensely demanding environment, Carmila has demonstrated the effectiveness of its platform, underscored by exceptionally dynamic leasing activity, with 541 leases signed in the first half of the year. Carmila is stepping up the rollout of its growth drivers with the opening of the Nice Lingostière extension on 19 May 2021, the expansion of Carmila Retail Development and the successful openings of our Healthcare projects.
Capitalisation rates are stable for the first time since 2017, illustrating the quality of Carmila's assets.
In light of these results, we are confident in the strength of Carmila's business model and our ability to drive our development prospects."

1. Key financial information

	First-half 2021	Change vs. First-half 2020	LfL change vs. First-half 2020	First-half 2020
Gross rental income (€m)	172.9	+5.7%		163.6
Net rental income (€m)	127.9	-13.2%	-1.7%	147.5
Recurring earnings (€m)	74.1	-21.1%		93.9
Recurring earnings (€m, excl. IFRS 16 Covid impact)	76.2	-18.9%		93.9
Recurring earnings per share (€m, excl. IFRS 16 Covid impact)	0.53	-22.4%		0.69

	First-half 2021	Change vs. Full-year 2020	LfL change vs. Full-year 2020	Full-year 2020
Portfolio valuation (€m, including transfer taxes)	6,135	-0.2%	-0.2%	6,150
Net Potential Yield	6.20%	+0 bps		6.20%
Loan-to-value ratio (including transfer taxes)	39.4%	+240 bps		37.0%
EPRA NTA (€/share)	23.69	-4.2%		24.72

2. Operating performance

The first half of 2021 was shaped by continued health restrictions, imposed at a national level in France and at a regional level in Spain and Italy, which evolved over time depending on the geography and size of shopping centres. Over the first half of the year 2021, stores in Carmila shopping centres were closed for an average of 2.2 months compared to two months of closure in first-half 2020.

Dynamic reopening periods

In the Group's three countries, cumulative footfall was down by an average of 22% on first-half 2019 (down 20.4% in France, 23.8% in Spain and 25.7% in Italy).

Reopening periods were characterised by solid rebounds, with footfall in June 2021 close to June 2019 levels (90% in France, 80% in Spain and 85% in Italy).

During the periods when stores reopened in France, retailer sales outperformed 2020 and 2019 levels, with sales up 5% in June 2021 versus June 2019.

Very dynamic leasing activity

541 leases were signed in the first half of the year (9.0% of the rental base) for a total minimum guaranteed rent of €27.6 million and rents 3.9% above appraisal rental values.

In terms of number of leases, this represented a 40% increase on first-half 2019 and 140% on first-half 2020.

The 541 signed leases comprise 266 vacant premises and 275 renewals.

Carmila recorded a positive 3.0% average reversion on renewals over the first half of the year.

Carmila is continuing to develop the merchandise mix in its centres by signing up leading and up-and-coming retail brands in a range of segments. In France, for example, Carmila is preparing to welcome a number of stores including two New Yorker, two Action, eight Hubside Store, and two Normal, while three Popeye's restaurants are scheduled to open in Spain.
Leveraging the strength of its regional presence and its retail know-how, Carmila is constantly searching for new concepts, such as Miniso, Happy Cash Eco (specialised in purchasing, selling and repairing products) and wine specialist Les Canons, as well as local retailers.
In the first half of 2021, revenues derived from Specialty Leasing and Pop-up Stores were up 3% compared with the same period last year in the three countries. Specialty Leasing recovered well in June 2021 with revenues up 38% compared to June 2020.
The good leasing performance is continuing into the second half of 2021, as illustrated by the high number of pre-contracts signed with retailers.

Solid rental base
The rental base was stable at 30 June 2021, down slightly by 0.6% on a like for like basis versus 2020.

The number of administration proceedings and lease terminations was flat. In first-half 2021, administration proceedings represented a negative 0.5% impact on Carmila's rental base and lease terminations a negative 1.3%.

Successful omnichannel initiatives
Carmila is developing an omnichannel strategy, the priority of which is to support retailers through the digital transition, in particular the 40% of independent retailers and local partner franchisees.
Carmila is helping retailers make the most of the store reopening period through a range of initiatives, including strengthening their omnichannel presence via the Carrefour marketplace in Spain, offering online payment solutions with ShoppingPay, and broadening drive-to-store solutions with live shopping events.
Carmila is continuing to develop interactions with its customer community by partnering with a network of local influencers whose subscribers surged by 300% year on year in the first half of 2021.
Focused on drive-to-store initiatives, Carmila also bolstered its online presence through a geo-localised customer database of 3.6 million opt-in contacts in France, Spain and Italy, and by pushing its presence on Google and Facebook. In the first half of 2021, Carmila centres were searched nearly 41 million times on Google (up 12% year on year) and generated 130 million views on their Facebook posts (up 29% year on year).

Successful opening of the restructured Cité Europe and the Nice Lingostière extension
In the first half of 2021, Carmila delivered two major extension and restructuring projects:

- Cité Europe (Calais-Coquelles) restructuring: since 29 January 2021, the centre has hosted a new Primark store, as well as a fully refitted Cité Gourmande leisure and restaurant complex. The centre has recorded 31 new store openings since 2018, including seven in the first half of 2021. From 19 May to 30 June 2021, the centre recorded a 65% surge in footfall versus the same year-ago period.

- On 19 May 2021, Carmila opened the fully-leased Nice Lingostière extension. As part of the project devised together with local stakeholders, the centre is welcoming 50 new stores across 12,000 sq.m. of additional gross leasable area, including leading retail brands such as H&M, Kiabi, Cultura, Mango and new concepts like Le Repaire des Sorciers, La Barbe de Papa, Even and Bambino. Investments in the project amounted to €90 million. The opening was a success and generated a 30% increase in footfall from 19 May to 30 June 2021 versus the same period in 2020.

Carmila also reached a new milestone on the Montesson shopping centre extension project after receiving the requisite authorisation from the regional commercial development authority (CNAC) in May 2021. This extension, which is adjacent to Carrefour's leading French hypermarket, aims to host 60 new stores and restaurants by 2025 as part of an urban development project designed to boost the local economy.

Stepping up expansion of Carmila Retail Development

Carmila Retail Development, the Company's subsidiary that aims to invest alongside innovative retailers, experienced a sharp rise in performance in first-half 2021. Carmila's four main partners – barbers La Barbe de Papa, footwear and accessory specialist Indémodable, and e-cigarette retailer Cigusto in France, as well as Centros Ideal beauty clinics in Spain – opened a total of 37 premises in the first half of the year, with a further 44 scheduled to open in the second half.

Carmila Retail Development has entered into new partnerships such as with wine specialist Les Canons and restaurant chain Dicapo. Several partnerships are currently under development.

Carmila Retail Development's dynamic partnerships are also exemplified by the development of Digital Native Vertical Brands (DNVB). Carmila is continuing to grow the Marquette retail brand, devised together with Digital Native Group, which distributes online brands through its concept store. In June 2021, Carmila launched the "Prix DNVB Ready" aiming to identify innovative concepts with a mostly-online presence, and develop them in its centres.

Successful first Healthcare openings

In the first half of 2021, Carmila opened its first dental practices under the Vertuo brand in Athis-Mons, Sartrouville, Perpignan Claira and Nantes Beaujoire. Five more centres are scheduled to open by the end of the year. Over the same period in Spain, Carmila opened two DentalStar centres in Montigala (Barcelona) and Cabrera del Mar.

At the end of 2021, Carmila Retail Development partnerships will account for around 248 premises in France and Spain, including 118 in Carmila centres representing €5 million in rent.

Stepping up new real estate activities

Carmila is accelerating its urban mixed-use projects launched in partnership with Carrefour and Altarea. Three projects are under way at Flins-Aubergenville, Nantes Beaujoire and Sartrouville, and 20 more are currently under consideration.
Carmila is also continuing to invest in Lou5G, its TowerCo business, for the construction and installation of new towers. Lou5G is set to raise recurring rental income to €1.1 million by the end of the year, representing 101 leases.

Optimising capital allocation
During the first half of the year, Carmila initiated an asset rotation programme that began with the sale of a retail park in Nanteuil-lès-Meaux at its end-December 2020 appraisal value.
The proceeds from the disposal will be used to launch a share buyback programme for around €8 million.

Continuing an ambitious CSR strategy
Carmila is accelerating its CSR strategy, rooted in the *Here we act* initiatives programme. A number of projects have been deployed focusing on the programme's three pillars of the Planet, Local Regions and Employees.

During the first half of 2021, Carmila initiated BREEAM In-Use certification at 40 new sites, including 21 sites in France, 16 in Spain and 3 in Italy. The goal is to have all of the Carmila sites certified by 2025.

Carmila was also recognised by the Science Based Targets initiative (SBTi) for its commitment to fighting climate change in line with the 1.5°C objective, pursuant to the Paris Agreement.

3. Financial results

Net rental income
Net rental income amounted to €127.9 million in the first half of the year, down 13.2%. The decrease was mainly attributable to the temporary effects of the health crisis, with a 12.2% negative impact on net rental income. The organic decrease was linked to the 1.0% contraction in the rental base, including positive 0.2% indexation, which underscores the solidity of Carmila's assets. The Nice Lingostière extension had a positive 1.2% impact while other impacts reduced net rental income by 1.2%, including the sale of the Nanteuil-lès-Meaux retail park and strategic vacancies in view of restructuring operations.

Impact of the health crisis in first-half 2021
Stores were closed for an average of 2.2 months in first-half 2021 (2.8 months in France). The negative impact of the health crisis in the first half of 2021 amounted to €33.5 million, representing 0.9 months of invoicing. Carmila prudently allocated a €17.2 million provision for rent waivers for the period during which businesses were closed in France in the first half of the year, as well as €6.5 million for Spain and Italy. This will enable Carmila to provide targeted rent waivers for the closure period, speed up collection of 2021 rents and re-establish systematic due-date rental payments.
All the estimated impacts of closures in the first half of 2021 have been recognised in the financial statements.

Collection rate
The collection rate for first-half rents stood at 69.3% as of 19 July 2021 (5.5 percentage points higher than at end-June 2021), the delay being due to the impact of tenants anticipating a financial support package in France. This support package represents excellent news that are expected to accelerate collection.

Operating expenses
Overhead costs for the period totalled €24.4 million, down €0.9 million.

Net financial expense
Net financial expense amounted to €29.5 million, up €2.3 million. The increase in interest expense on bonds (€3.8 million) was partially offset by the decrease in interest expense on bank borrowings (€1.6 million).

Recurring earnings
Recurring earnings (excluding the impact of IFRS 16 Covid-related rent-free periods) stood at €76.2 million, down €17.8 million or 18.9% compared with the first half of 2020.
Recurring earnings per share for first-half 2021 amounted to €0.53 (excluding the IFRS 16 Covid impact), a decrease of €0.16 per share or 22.4%.

4. Portfolio valuation

At 30 June 2021, the gross asset value of the portfolio, including transfer taxes, stood at €6,135.2 million, down €12.7 million or 0.2% compared with the figure reported at 31 December 2020.
On a like-for-like basis, the decrease was €9.7 million (down 0.2%). First-half 2021 was the first period during which capitalisation rates were stable since 2017: the average capitalisation rate for the portfolio was 6.20% at 30 June 2021, flat compared with the 31 December 2020 figure.
The solid rental base, dynamic leasing activity and the limited, flat vacancy rate all demonstrate the stability of Carmila's assets in the first half of the year.

5. Debt and financial structure

The financial position was strengthened in first-half 2021. Carmila issued a €300 million bond on 25 March 2021, maturing in April 2029 and paying a coupon of 1.625%. With the proceeds, Carmila partially reimbursed a bank loan falling due in June 2024 in the amount of €300 million, extending the average maturity of debt (4.6 years at 30 June 2021 versus 4.5 years at end-December 2020) while maintaining a stable average interest rate (2.0% at 30 June 2021 versus 1.9% at 31 December 2020).
Net debt was temporarily impacted by the collection situation in the first half of the year, and stood at €2,379 million as of 20 July 2021, a marked improvement compared to the €2,419 million recorded at 30 June 2021.
The loan-to-value ratio including transfer taxes stood at 39.4% at 30 June 2021, up 240 basis points, due to the temporary change in net debt. At 20 July 2021, the loan-to-value ratio stood at 38.9%, down by 40 basis points compared to 30 June 2021.

6. Conclusions and outlook: Carmila, the platform helping transform the retail sector

The health crisis has accelerated the transformation of retail concerning issues such as purchasing power, omnichannel, convenience and corporate social responsibility. Carmila's centres help preserve purchasing power, combine the benefits of physical and online retail; they are safe and accessible, fully adapted and embedded in the local economy and community.

Carmila is rolling out with agility an efficient platform to help transform the retail sector.

This platform draws on Carmila's solid fundamentals: a unique regional footprint − more than one-third of French and Spanish citizens can reach a Carmila centre within 20 minutes; leading local shopping centres registering 650 million visits per year; and assets adjoined to powerful hypermarkets, which proved their worth during the health crisis.
This platform is built on four key pillars:

- Retail places in motion
- Preferred partner for retailers
- 100%-omnichannel strategy
- Solid growth drivers fuelled by innovation

In these very demanding times, Carmila has been able to adapt to the consequences of the health crisis, deploying changes to its platform in record time and keeping pace with retail industry trends. Carmila aims to improve customer and visitor satisfaction, innovating to become a privileged partner, particularly by supporting retailers in their development and omnichannel transformation.
Growth drivers will help boost business in the coming months and years, particularly:

- portfolio enhancement projects: renovations, creation of food courts and extensions
- Carmila Retail Development: new projects are under way following the successful development of four partner brands and the first Healthcare openings
- new real estate activities: around 20 urban mixed-use projects are under consideration and Carmila is continuing to roll out its TowerCo, Lou5G

Carmila will be staging an Investor Day in the autumn to present in detail its growth drivers and strategy.
In view of the uncertainty linked to the health situation, the impact of a fourth wave of the pandemic, particularly in Spain, the prolonged state of emergency in France and arrangements for the health pass, Carmila is proceeding cautiously with its full-year financial projections, and accordingly, will not be providing guidance for its full-year 2021 earnings.
Carmila is highly resilient and the Group has solid growth prospects. While the current context remains concerning, in view of Carmila's capacity to rebound and the sustainability of its development, management is confident in the Group's model.

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INVESTOR AGENDA
21 October 2021 (after trading): Third quarter 2021 Financial Information

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 31 December 2020, its portfolio was valued at €6.15 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.
On 18 November 2020, Carmila joined the SBF 120 and CAC Mid 60 indices.

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.

This press release and its appendices together with the 2021 Half-Year Results presentation slideshow are available in the "Financial Press Release" of Carmila's Finance webpage:
https://www.carmila.com/en/finance/financial-press-releases/