SUPPLEMENT DATED 15 DECEMBER 2021

TO THE BASE PROSPECTUS DATED 5 OCTOBER 2021

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 October 2021 granted approval no. 21-435 on 5 October 2021 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) creating a "*Recent Developments*" section to refer to a press release of the Issuer in relation to its new strategic plan: 'Building Sustainable Growth' and a press release relating to the third quarter results of the Issuer for 2021, and (ii) amending the "*General Information*" section of the Base Prospectus.

A copy of this Supplement will be available on the websites of (i) the Issuer (*www.carmila.com*) and (ii) the AMF (*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

RECENT DEVELOPMENTS

The Issuer wishes to update the Base Prospectus to reflect the following recent developments to be entitled *"Recent Developments"* and inserted into the Base Prospectus.

"On 6 December 2021, the Issuer published the following press released regarding the announcement of a new strategic plan:

Carmila announces a new strategic plan: 'Building sustainable growth'

- Carmila will present its 2022-2026 Strategic and Financial Plan at a Capital Markets Day in Paris on 7 December 2021
- The plan describes a new ambition to build sustainable growth and invest in new business lines. It is Carmila's response to structural changes in retail, which have been accelerated by the COVID crisis.
- It is based on three pillars:
  - A new vision for the role of Carmila as an incubator and an omnichannel platform for retailers
  - Leadership in sustainability, notably through a new generation of development projects based on mixed-use and a new commitment to reach net zero emissions by 2030
  - Investment in new business lines: digital infrastructure and new retail concepts
- New growth initiatives are expected to contribute an incremental €30M to recurring earnings by 2026
- Carmila targets annual growth in Recurring earnings per share of +10% on average in 2022 and 2023[1]
- Carmila announces a €200M disposals programme in 2022-2023, with part of the proceeds to be used for share buybacks
- Carmila is committed to maintaining a solid balance sheet and targets a Loan to Value (LTV) ratio[2] of 40% in 2022-2026
- Carmila's dividend policy, for dividends paid from 2022 to 2026, will be an annual dividend of at least €1 per share, paid in cash, with a target payout of 75% of recurring earnings[3]

Marie Cheval, Chair and Chief Executive Officer of Carmila commented: *"The health crisis has pushed Carmila to accelerate its transformation and has also strengthened our ambition. This new strategic plan is focused on growth and investment in promising new businesses and initiatives. Carmila has created Next Tower, a new business line to invest in digital infrastructure, and is scaling-up Carmila Retail Development. Carmila aims to strengthen its omnichannel services to retailers and to offer a differentiating shopping experience for customers. It is the beginning of a new phase for Carmila, focused on sustainable development, with a pipeline of projects that have been redesigned around mixed-use and a new commitment on net zero emissions by 2030."*

An incubator and an omnichannel platform for retailers

Carmila will accelerate the transformation of its core business through a new approach to working with retailers. To respond to changing customer expectations, Carmila centres will act as an incubator for new brands and concepts, including digital native vertical brands. This will help to refresh the mix-merchandising of its centres, with a particular focus on healthcare, which will account for 15% of Carmila rental income by 2026. By proposing a wide range of formats adapted to each business model (events, pop-up stores, specialty leasing…) this strategy will generate substantial additional revenues and boost core business performance.

Carmila is accelerating the development of its platform of services for retailers, with a specific focus on omnichannel services, grouped together in the Carmila Services Hub.

[1] The financial plan assumes no major COVID effect, for example administrative closures, from 2022.
[2] Including transfer taxes.
[3] Dividend subject to shareholder approval

Through partnerships with an ecosystem of startups Carmila will enhance its service offer to retailers at every stage of the customer journey. These initiatives will support the omnichannel development of centres and retailers, generating additional traffic and sales.

To implement this strategy, Carmila can count on its partnerships with Carrefour, a strategic shareholder which owns 35% of Carmila shares. Carrefour brings significant technical expertise to Carmila as well as access to its partnerships with tech leaders.

This new approach is expected to generate an incremental contribution to recurring earnings of €10M by 2026.

A leader in the sustainable transformation of local regions

Carmila's development pipeline has been completely redesigned with a new orientation towards mixed-use and environmental excellence. The five major extensions, representing €550M of investment for a yield of 6.6%, consist mostly of retail, but also include housing, renewable energy, public parks, and office space, with no net use of greenfield land. Works on these five projects will begin with Montesson in 2023, the €150M Montesson project being entirely financed through asset rotation.

In addition to these five major extension plans, Carmila will continue to carry out approximately 60 restructuring projects a year, for an annual cost of €25M and with a 10% yield on cost.

Carmila has also designed a new generation of big-bang mixed-use transformation projects that will completely change the shopping centre's presence in the city. These currently 100% retail sites will become new neighbourhoods, with homes, offices, local services and green spaces. Works will start on the first projects from 2025, with delivery from 2030.

A new commitment on climate: net zero emissions by 2030

Carmila targets net zero Scope 1 and Scope 2 emissions by 2030. By 2030, Carmila will reduce by 90% its emissions vs. 2019 through a reduction in energy consumption and the transition to 100% renewable energy for its centres. The remaining 10% of emissions will be offset, in keeping with the Science Based Targets initiative guidelines, through the financing of the environmental transition of local farms in partnership with TerraTerre. Camila will also continue to reduce its Scope 3 emissions, with an ambition to reach full carbon neutrality in 2040.

Creation of Next Tower business line to invest in digital infrastructure

With Next Tower, Carmila announces the creation of a mobile tower company that will have EUR 180m of assets by 2026. Next Tower is a property developer that builds new multi-tenant 5G mobile towers on sites across the Carmila and Carrefour regional network. Through Next Tower, Carmila will invest in digital infrastructure such as mobile towers, data centres and fibre optic.

After a successful test phase that began in 2019, Next Tower will follow an ambitious expansion plan of 80 new sites a year, for a total of 400 sites by 2026. By 2026 the business will deliver an annual contribution of EUR 10m to recurring earnings, with further growth expected after this first phase.

By contributing to the effort to reduce the digital divide, Next Tower is also completely aligned with Carmila's objective to contribute to the sustainable transformation of local regions.

The business line will require approximately € 13M a year of investment over the course of the plan.

Scaling-up Carmila Retail Development

Carmila Retail Development (CRD) will become a new business line consisting of a portfolio of €40M of minority venture capital investments in new retail concepts. CRD makes small early-stage venture capital investments to test new concepts and to scale them rapidly once they have established that they can be successful in shopping centres.

CRD aims to acquire a 30 to 40% stake in promising retailers and to provide expertise and omnichannel services to help them get started and be successful in shopping centres.

By 2026, CRD targets a portfolio of 20 brands, operating more than 700 Stores in both Carmila and non-Carmila centres. With a 4 to 5 year investment cycle, Carmila intends to sell its stake once businesses have reached a certain level of maturity, in order to free up capacity for new early stage venture capital investments.

CRD targets an annual contribution to Carmila recurring earnings of €10M by 2026. In 2024, retailers in the portfolio will also represent around €15M of rents for Carmila as a landlord, as well as contributing to the refreshed mix-merchandising of Carmila centres.

This new phase for Carmila Retail Development begins with investments of €15M in 2021 and €10m in 2022 and €10m in 2023, with zero net investment thereafter.

Adding growth to a resilient core business

Carmila is confident that it can maintain the current low level of vacancy and a stable rental base in the coming years, supported by its incubator model and the sustainable level of current rents (€255 / sq. m.). Carmila is also confident in appraisal values and expects to see a small increase in the like-for-like valuation of its assets at end 2021. Core business performance is expected to normalise with a progressive improvement in rent collection and a stable rental base in the coming quarters. This improvement began in Q3 2021, with a collection rate of 92% as of today.

In addition to the resilient performance of Carmila's core business, three major new business initiatives, the incubator model and services to retailers, Next Tower and Carmila Retail Development, will deliver €30M of incremental recurring earnings by 2026.

Growth in the contribution of these initiatives is expected to be linear over the 2022-2026 period, with the total additional contribution, representing an increase of +18% vs. 2020 recurring earnings.

Targeting 10% annual Recurring EPS growth on average for 2022 and 2023

During the health crisis, Carmila demonstrated the resilience of its Carrefour hypermarket-anchored model. Carmila now targets 10% annual growth in Recurring EPS on average in 2022 and 2023 supported by the normalization of financial performance and the first impact of new business initiatives. As a reminder, Carmila expects recurring earnings per share to be stable in 2021 versus 2020.

From 2024, additional growth will be driven by new business initiatives.

The financial trajectory assumes that there is no major COVID effect resulting in the closure of Carmila centres from 2022. It is at constant perimeter as regards Carmila sites, though it includes the contribution of Carmila Retail Development and Next Tower. It also includes the additional cost of the emission reduction roadmap, which will be well underway by 2026. Carmila also targets an absolute reduction in its cost base in 2026 vs. 2021.

A new asset rotation programme

After several years of expansion and acquiring new sites, Carmila has launched a strategy to dispose of sites that have reached maturity. In 2022 and 2023 Carmila is targeting an aggregate amount of disposals of €200M and intends to continue disposing of assets beyond 2023.

Part of the proceeds of disposals will be reinvested in new assets and restructuring projects. The remainder will ensure the strength of Carmila's balance sheet or be returned to shareholders.

Carmila targets a Loan to Value (LTV) ratio of 40%

Carmila is committed to maintaining a solid balance sheet with the right level of debt, compatible with its current BBB S&P rating (outlook stable).

For the 2022-2026 period, Carmila targets a Loan to Value ratio of 40%, including transfer taxes.

Dividend policy of at least EUR 1 per share and a 75% payout

Subject to shareholder approval, Carmila intends to propose an annual dividend of at least EUR 1 per share, in cash, for dividends paid from 2022 to 2026. As well as a minimum of EUR 1 per share, Carmila dividend policy will be to target a payout of 75% of recurring earnings for the period.

Proceeds from disposals to finance share buybacks

Carmila intends to use part of the proceeds of the sale of assets to support distributions to shareholders. If Carmila shares remain at a significant discount to Net Tangible Asset value, this will take the form of share buybacks."

"On 21 October 2021, the Issuer published the following press release:

Financial Information as of 30 September 2021

- Dynamic leasing activity maintained (763 leases signed, up +34% on the first nine months of 2019 and up +105% on the first nine months of 2020)
- Rent collection returning to normal for third-quarter 2021 rents (collection rate 90.1%)
- Positive reversion in the first nine months of 2021 on new leases (+3.1% above rental appraisal values) and renewals (+3.7% above)
- Net rental income down -9.1% on the first nine months of 2020 and stable (down just -0.2%) like-for-like excluding the temporary effects of the health crisis
- Financial occupancy rate unchanged versus second-quarter 2021 at 95.7%
- A stable rental base (down just -0.4% like-for-like since end-September 2020)
- Robust retailer sales in the third-quarter (higher than in third-quarter 2020 in all three countries, and almost in line with third-quarter 2019 in France and Italy)
- Carmila recognised for the quality of its sustainability reporting and CSR strategy (EPRA sBPR Gold and GRESB Development awards)
- New €810 million sustainability-linked revolving credit facility signed
- S&P confirms Carmila's BBB credit rating and revises its outlook from negative to stable
- Launch of a share buyback programme in the third-quarter of 2021
- Carmila expects recurring earnings per share to be stable in 2021 versus 2020 (an increase of more than +10% excluding the IFRS 16 impact)
- Save the date: Carmila Capital Markets Day on 7 December 2021

Marie Cheval, Chair and Chief Executive Officer of Carmila commented: *"Carmila has benefited this quarter from a gradual return to normal performance following the upturn in trading among its retailers, after a first half disrupted by the health situation. The strength of Carmila's model is clearly illustrated by the exceptional level of leasing activity in the quarter, as well as a financial performance that remains solid, with full-year recurring earnings per share expected to be in line with 2020. The Capital Markets Day to be held in December will be an opportunity to present Carmila's strategic and financial plan."*

Key Financial Information

	First nine months 2021	First nine months 2020	Change	Change at constant scope*
Gross rental income (€m)	263.8	250.4	+5.3%	
Net rental income (€m)	206.2	226.8	-9.1%	-0.2%
France	141.5	150.6	-6.1%	
Spain	50.6	62.8	-19.4%	
Italy	14.1	13.4	+5.1%	

*Adjusted for the effects of the health crisis

Net rental income down -9.1% on the first nine months of 2020 and stable (down just -0.2%) like-for-like excluding the temporary effects of the health crisis

In the first nine months of the year, net rental income on a like-for-like basis, excluding the temporary effects of the health crisis, was stable (down just -0.2%) versus the first nine months of 2020, demonstrating the strength of Carmila's rental base. Excluding these adjustments, net rental income was down -9.1% in the period.

As a reminder, in 2020 a significant portion of the impact of the health crisis on net rental income had not yet been booked at end-September 2020, making it difficult to compare net rental income for the first nine months of that year with the same period of 2021. In the first half of 2021, stores in Carmila shopping centres remained closed for 2.2 months on average.

Rent collection returning to normal for third-quarter 2021 rents (collection rate 90.1%)

The collection rate for third-quarter rents reflected the gradual return to normal in rent collection, which stood at 90.1% at 19 October 2021, up +12 points on the collection rate for third-quarter 2020 at the same prior-year date[4]. The collection rate for the first half of 2021 was 76.3% due to closure periods and the impact of tenants anticipating a financial support package in France.

Dynamic leasing activity maintained (763 leases signed, up +34% on the first nine months of 2019 and up +105% on the first nine months of 2020)

A record number[5] of leases were signed in the first nine months of 2021 (763 leases signed, up +34% on the first nine months of 2019 and up +105% on the first nine months of 2020), for a total minimum guaranteed rent of €39.2 million, or 11% of the rental base. Reversion was positive on new leases, coming out +3.1% above rental appraisal values on average, and reversion on renewals was +3.7% above on average.

Notable leasing transactions signed in the quarter included:

- Differentiating, high-quality brands: Jack and Jones, Lacoste, Rituals, Superdry
- New tenants for Carmila: Miniso, Studio Comme J'aime, Crazy Kids
- Sector leaders: the discounter Action, Intersport

As at 30 September 2021, the rental base was stable versus end-September 2020 on a like-for-like basis (down just -0.4%) and the financial occupancy rate was unchanged from second-quarter 2021 at 95.7%, demonstrating that vacancy has been kept at a very low level in Carmila centres.

Robust retailer sales in the third-quarter (higher than in third-quarter 2020 in all three countries, and almost in line with third-quarter 2019 in France and Italy)

Footfall in the third-quarter of 2021 was close to the levels seen in third-quarter 2020 (98.1% in France, 101.0% in Spain and 102.9% in Italy) but remained below the levels seen in third-quarter 2019 (89.7% in France, 79.5% in Spain and 84.8% in Italy). In France, the requirement to show health passes to access shopping centres of more than 20,000 sq.m. in some French departments affected footfall in Carmila centres in August and September. However, Carmila centres in France outperformed the sector by seven percentage points in the period[6].

Retailer sales were very close to third-quarter 2019 levels in France (98.7%) and Italy (99.6%) but remained below those levels in Spain (90.3%). Retailer sales were higher than in third-quarter 2020 (up +1.4% in France, +15.9% in Spain and +4.8% in Italy).

Carmila recognised for the quality of its sustainability reporting and CSR strategy (EPRA sBPR and GRESB Development 2021 awards)

Carmila received an EPRA sBPR[7] Gold award for the second time, highlighting the company's alignment with the highest standards in non-financial reporting, and was ranked number one among listed commercial real estate peers in the Development category of the GRESB[8] 2021 benchmark, with a score of 94/100.

Carmila also received an EPRA Gold BPR award for the quality of its financial disclosure.

Working in partnership with e-commerce players

---

[4] Collection rate for third-quarter 2020 rents, as disclosed on 23 October 2020
[5] Record for the first nine months of the year since the formation of Carmila
[6] Quantaflow panel. Change in footfall versus third-quarter 2019.
[7] Sustainability Best Practices Recommendations
[8] Global Real Estate Sustainability Benchmark

Carmila is committed to helping the four winners of its DNVB[9] Ready competition roll out their brand in its shopping centres. Flotte, Le Beau Thé, Baya and Bandit will be supported in setting up their own store, a sales space in the Marquette DNVB concept store or a pop-up store. The competition's success attests that brands first developed online see the value of having a physical presence in shopping centres.

New €810 million sustainability-linked revolving credit facility signed

Carmila has strengthened its financial structure by signing a new €810 million revolving credit facility on 21 October, in two (three and five-year) tranches, including two one-year extension options. The facility replaces an existing €759 million revolving credit facility maturing in 2024. It includes two sustainability criteria designed to support Carmila's ambitious strategy to halve its greenhouse gas emissions by 2030 and to achieve BREEAM certification for its entire asset portfolio by 2025. Carmila will see its credit spread reduced if these targets are met and, in all cases, will be making a financial contribution to sustainability initiatives.

S&P confirms Carmila's BBB credit rating and revises its outlook from negative to stable

On 14 September 2021, S&P confirmed Carmila's BBB rating and revised its outlook from negative to stable.

Launch of a share buyback programme in the third-quarter of 2021

Carmila launched a share buyback programme on 3 September 2021, with a view to cancelling the repurchased shares, for a maximum amount of €8 million. The share buyback period began on 6 September and will run until the end of December 2021.

Carmila expects recurring earnings per share to be stable in 2021 versus 2020

With the resumption of retail trading in the third-quarter and an improved health situation in the three countries where Carmila operates, there is less uncertainty around the financial outlook. On that basis, Carmila expects recurring earnings per share to be stable in 2021 compared with 2020. This corresponds to a more-than +10% increase in recurring earnings per share excluding the impact of IFRS 16 (i.e., the effect of the deferral of rent-free periods related to the first wave of Covid-19 over the remaining life of leases).

Save the date: Carmila Capital Markets Day on 7 December 2021

Carmila will present its strategic and financial plan on 7 December 2021 in Paris."

[9] Digital Native Vertical Brands

GENERAL INFORMATION

On page 81 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 the *"Recent Developments"* section), there has been no significant change in the financial position or financial performance of the Issuer or of the Group since 30 September 2021 and no material adverse change in the prospects of the Issuer since 31 December 2020."

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
58, avenue Emile Zola
92100 Boulogne-Billancourt
France

Duly represented by:

Pierre-Yves Thirion, *Directeur Financier*
Dated 15 December 2021

Autorité des marchés financiers

This Supplement has been approved on 15 December 2021 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: 21-529.