

**FIRST SUPPLEMENT DATED 16 JUNE 2023
TO THE BASE PROSPECTUS DATED 8 NOVEMBER 2022**



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

This first supplement (the "**First Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 8 November 2022 granted approval no. 22-436 on 8 November 2022 by the *Autorité des marchés financiers* (the "**AMF**") (such base prospectus, the "**Base Prospectus**") prepared by Carmila (the "**Issuer**") with respect to its outstanding Euro Medium Term Note Programme (the "**Programme**"). The Base Prospectus, as supplemented by the First Supplement, 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**"). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

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

This First Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purposes of (a) amending the "*Risk Factors*" section of the Base Prospectus, (b) incorporating by reference into the Base Prospectus the Issuer's 2022 universal registration document, in the French language which included the audited consolidated financial statements of the Issuer for the year ended 31 December 2022, (c) adding a "*Recent Developments*" section to the Base Prospectus, (d) amending the "*Description of the Issuer*" section of the Base Prospectus and (e) updating the "*General Information*" section of the Base Prospectus.

A copy of this First 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 First Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this First Supplement will prevail.

Save as disclosed in this First 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.

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RISK FACTORS

On page 13 of the Base Prospectus, the sub-section entitled "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme*" shall be replaced in its entirety by the below sub-section:

"Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

In accordance with the EU Prospectus Regulation, Carmila updated the Group risk matrix in 2022, which incorporates the specific major risks to which it is exposed. These risks, selected according to their "gross" impact and likelihood – before taking into account risk management controls and policies – are nevertheless presented in the 2022 *Document d'enregistrement universel* in a matrix based on their estimated "net" impact, both in terms of impact and occurrence, after taking into account all of the measures taken by the Group to manage them along with any internal and external factors that mitigate the risks.

The risks that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme are set out in particular on pages 86 to 99 of the 2022 *Document d'enregistrement universel* of the Issuer for the year ended 31 December 2022 incorporated by reference into this Base Prospectus, as set out in the section "*Documents Incorporated by Reference*" on pages 24 to 27 of this Base Prospectus. The categories and headings of each risk factor are set out below:

CATEGORY 1: RISKS RELATING TO CARMILA'S BUSINESS SECTOR

1. Trends in the commercial real estate market
2. Trends in the social, economic and competitive environment
3. Geopolitical environment

CATEGORY 2: RISKS RELATING TO CARMILA'S BUSINESS

4. Health, well-being, safety and security, including risks associated with a health crisis
5. Relationship with and exposure to retail brands, counterparty risk
6. Property development
7. IT system security and data privacy

CATEGORY 3: LEGAL AND ETHICAL RISKS

8. Regulatory and legal developments
9. Ethical, corruption and fraud risks

CATEGORY 4: FINANCIAL RISKS

10. Costs and access to financing and financial markets
11. Taxation and REIT, SIIC and SOCIMI regimes

CATEGORY 5: FINANCIAL RISKS

12. Environmental, climate and societal issues
13. Talent management and engagement (recruitment, retention and succession)"

DOCUMENTS INCORPORATED BY REFERENCE

On page 24 of the Base Prospectus, paragraphs (a), (b) and (d) shall be deleted and the below paragraph shall be added as new paragraph (a):

"(a) the sections identified in the cross reference table below of the 2022 universal registration document of the Issuer in the French language filed with the AMF under no. D.23-0247 on 6 April 2023 and which includes the audited consolidated financial statements of the Issuer for the year ended 31 December 2022 and the report of the statutory auditors thereon (the "**2022 Universal Registration Document**") (non-official English translation is available on the Issuer's website);"

For the avoidance of doubt, the numbering of the subsequent paragraphs on page 24 shall be adjusted accordingly.

The cross-reference table on pages 25 to 27 shall be amended and replaced as follows:

Cross-reference list in respect of information incorporated by reference	
<i>Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019</i>	
<i>Registration document for wholesale non-equity securities</i>	
INFORMATION INCORPORATED BY REFERENCE	RELEVANT DOCUMENT AND PAGES IN THE RELEVANT DOCUMENT
3. RISK FACTORS	
3.1 A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed "Risk Factors". In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.	2022 Universal Registration Document: Pages 86-99
4. INFORMATION ABOUT THE ISSUER	
<u>4.1 History and development of the Issuer</u>	
4.1.1 The legal and commercial name of the issuer	2022 Universal Registration Document: Page 288
4.1.2 The place of registration of the issuer, its registration number and legal entity identifier ("LEI")	2022 Universal Registration Document: Page 288
4.1.3 The date of incorporation and the length of life of the issuer, except where the period is indefinite	2022 Universal Registration Document: Page 288
4.1.4 The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part	2022 Universal Registration Document: Page 288

of the prospectus unless that information is incorporated by reference into the prospectus	
5. BUSINESS OVERVIEW	
<u>5.1 Principal activities</u>	
5.1.1 A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	2022 Universal Registration Document: Pages 44-55
5.1.2 The basis for any statements made by the issuer regarding its competitive position	2022 Universal Registration Document: Page 13
6. ORGANISATIONAL STRUCTURE	
6.1 If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure	2022 Universal Registration Document: Pages 80-82
7. TREND INFORMATION	
7.1 A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited financial statements; and (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document.	Not applicable
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
9.1 Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital	2022 Universal Registration Document: Pages 164, 168-182
10. MAJOR SHAREHOLDERS	
10.1 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused	2022 Universal Registration Document: Page 280
10.2 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	2022 Universal Registration Document: Page 285

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>11.1 Historical financial information</u>	
11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year	2022 Universal Registration Document: Pages 206 - 248 2021 Universal Registration Document: Pages 208 - 253
11.1.3 Accounting standard	2022 Universal Registration Document: Pages 212 - 213 2021 Universal Registration Document: Pages 214 - 215
11.1.5 Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	2022 Universal Registration Document: Pages 206 - 248 2021 Universal Registration Document: Pages 208 - 253
11.1.6 Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	2022 Universal Registration Document: Page 206
<u>11.2 Auditing of Historical financial information</u>	
11.2.1 A statement that the historical annual financial information has been audited	2022 Universal Registration Document: Pages 246-248 2021 Universal Registration Document: Pages 251-253
11.2.1a Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	Not applicable
<u>11.3 Legal and arbitration proceedings</u>	
11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	2022 Universal Registration Document: Page 105

11.4. <u>Significant change in the issuer's financial position</u>	
11.4.1 A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate statement that no such proceedings exist.	Not applicable
12. MATERIAL CONTRACTS	
12.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	2022 Universal Registration Document: Page 105

RECENT DEVELOPMENTS

On page 68 of the Base Prospectus a section entitled "*Recent Developments*" should be added with the following press release:

"Boulogne-Billancourt, 20 April 2023

First-quarter 2023 financial information

- Net rental income up +5.5% versus first quarter 2022, of which an indexation effect of +4.2%
- Retailer sales up +10% and footfall up +5% versus first quarter 2022
- Good leasing momentum: 176 leases signed in the first quarter, positive reversion (+2.9%)
- Financial occupancy at 96.0% (+20 basis points versus end-March 2022)
- New secured loan of 276 million euros (2030 maturity, 3 month EURIBOR plus 175 basis points)
- Additional interest rate hedging since end December 2022
- Closing of two asset sales agreed in February 2023, for a total amount of 90 million euros
- Confirmation of expected recurring earnings per share of €1.57 in 2023

Marie Cheval, Chair and Chief Executive Officer of Carmila commented: *"The first quarter of 2023 was another good quarter, thanks to a high level of occupancy and the ongoing pivot of the merchandising mix to new concepts. The strong operating performance and Carmila's solid financial position, especially following the successful closing of several transactions since the beginning of the year, allow Carmila to confirm its growth objectives for 2023."*

	First quarter 2023	First quarter 2022	Change
Gross Rental Income (€m)	95.9	90.8	+5.6%
Net Rental Income (€m)	86.4	81.9	+5.5%
France	57.8	55.5	+4.1%
Spain	23.0	21.2	+8.5%
Italy	5.6	5.2	+7.7%

Net rental income up +5.5% versus first quarter 2022, of which an indexation effect of +4.2%

Net rental income is up +5.5% versus the first quarter of 2022. This growth in net rental income is principally explained by a positive indexation effect (+4.2%). The overwhelming majority of leases in Carmila centres are indexed to the reference indices of their national markets, with effect from the first quarter.

The collection rate¹ for the first quarter 2023 was 94%, at the same level as in the first quarter of 2022.

Retailer sales up +10% and footfall up +5% versus first quarter 2022

Retailer sales in the first quarter of 2023 were up +10% on average versus the first quarter of 2022 (+9% in France, +14% in Spain and +11% in Italy).

Footfall is also up (+5% on average versus the first quarter 2022, +4% in France, +7% in Spain and +11% in Italy). The first quarter of 2022 was affected by the end of the health crisis. In an inflationary context, Carmila shopping centres benefit from the attractiveness of Carrefour hypermarkets.

¹ As of 20 April 2023

Good leasing momentum

Leasing activity in the first quarter of 2023 remained strong, with 176 new leases signed.

Several innovative and leading retailers signed new leases with Carmila in the quarter including Blue Box, Lovisa, Adopt', La Boutique du Coiffeur and Le Comptoir de Mathilde, as well as the Carmila Retail Development partner Bohébon, and a new pharmacy, as part of Carmila's strategy to pivot to a greater number of healthcare tenants.

Reversion was +2.9% on average on the new leases signed in the first quarter, notably driven by a high level of positive reversion on a single new letting deal in Spain. This indicator includes new leases on vacant premises and renewals.

Financial occupancy stood at 96.0% at end March 2023, up +20 basis points vs. end March 2022.

New secured loan of 276 million euros

Carmila signed on 17 April 2023 a new secured loan for an amount of 276 million euros, maturing in 2030 and at a rate of 3-month EURIBOR plus 175 basis points. This new credit line, took the form of a mortgage loan contracted by four subsidiaries of Carmila France (Carmila Nice, SAS Carmila Evreux, Carmila Saran and Carmila Coquelles) and is secured by their assets. The LTV ratio of this new financing with respect to the appraisal values of the four assets as of 31 December 2022 is 49.4%.

Following the drawdown of the new loan, Carmila has ca. 680 million euros of cash on its balance sheet², covering the repayment at maturity of a bond maturing in September 2023, the outstanding amount of which is 322 million euros, and partially covering the repayment at maturity of a bond maturing in September 2024, the outstanding amount of which is 539 million euros. The refinancing of these bond issues, principally through the two bank loans put in place in July 2022 and April 2023, will result in a gradual increase in the average cost of debt of Carmila.

The average cost of debt of Carmila, including the effect of hedging instruments, is estimated at around 3% in 2025.

Additional interest rate hedging since end December 2022

Since end-December 2022, Carmila has put in place additional interest rate hedging for the coming years through both swaps and swaptions. The total nominal amount of interest rate hedging instruments put in place by Carmila as of today is 760 million euros and the interest costs of its net debt is almost entirely hedged with respect to variations in short term interest rates between now and the end of 2025.

Closing of two asset sales agreed in February 2023, for a total amount of 90 million euros

Carmila has closed the two transactions agreed with family offices in February 2023 for the sale of a portfolio of four assets in Spain and an asset in Montelimar in France.

As a reminder:

The sale price of the portfolio in Spain, including transfer taxes, amounted to 75 million euros, in line with appraisal values. The portfolio is made up of four centres: Los Patios and Alameda in Malaga and Los Barrios and Gran Sur in Algeciras. The sale price of the asset in Montelimar, including transfer taxes, amounted to 15 million euros, in line with its appraisal value.

These two asset sales follow the sale of a portfolio of six assets in France, closed in June 2022, for a total amount of 240 million euros. Carmila

These two agreed sales follow the disposal of a portfolio of six assets in France, closed in June 2022, for a total of 240 million euros of disposals. With these transactions, Carmila has gone beyond its 200 million euro disposal target for the first two years of its new strategic plan "Building Sustainable Growth".

² As of 18 April 2023

Carmila is now targeting a total of €100 million in disposals by the end of 2024, in addition to the 240 million euros of disposals already closed.

Confirmation of expected recurring earnings per share of €1.57 in 2023

Recurring earnings per share for Carmila in 2023 are expected to be €1.57, corresponding to 8% organic growth (at constant scope, and versus 2022 recurring earnings per share adjusted for non-recurring income resulting from better-than-expected collection of prior- year rents). This figure includes the impact of the two asset sales as well as the new secured loan mentioned above.

Carmila continues to implement its decarbonisation strategy

In line with its commitment to reduce energy consumption by 20% in the winter of 2022 vs. the winter of 2019, Carmila successfully reduced its electricity by 33% and its consumption of natural gas by 19%.

In addition, Carmila has begun works to replace its lighting equipment. All Carmila centres will have LED lighting by end 2023.

As a reminder, Carmila is targeting zero net carbon emissions for scopes 1 and 2 by 2030. Carmila's 2019-2030 carbon trajectory has been approved by SBTi as compatible with 1.5°C of warming for scopes 1 and 2 and 2°C of warming for scope 3."

DESCRIPTION OF THE ISSUER

On page 67 of the Base Prospectus, the paragraph shall be replaced in its entirety by the below paragraph:

"The description of the Issuer is set out in the 2022 Universal Registration Document incorporated by reference herein (please see the section headed "*Documents Incorporated by Reference*" on pages 24 to 27 of this Base Prospectus)."

GENERAL INFORMATION

On page 88 of the Base Prospectus, paragraphs 3 and 5 of the "*General Information*" section shall be replaced in their entirety by the below paragraphs:

"3. For this purpose, on 26 June 2019 the Board of Directors (*Conseil d'administration*) of the Issuer has authorised the Programme for a maximum aggregate amount of Notes outstanding at any one time of €1,500,000,000. On 15 February 2023, the Board of Directors (*Conseil d'administration*) authorised, for a duration of one year from 15 February 2023, the issue of Notes up to an aggregate nominal amount of €1,500,000,000."

"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 31 March 2023 and no material adverse change in the prospects of the Issuer since 31 December 2022."

On page 89 of the Base Prospectus, paragraph 10 of the "*General Information*" section shall be replaced in its entirety by the below paragraph:

"10. Deloitte & Associés and KPMG S.A. have audited the Issuer's consolidated financial statements for the years ended 31 December 2021 and 31 December 2022, without qualification, prepared in accordance with generally accepted accounting principles in France. Deloitte & Associés and KPMG S.A. are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* and carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes*."

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

To the best knowledge of the Issuer, the information contained in this First 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 16 June 2023



Autorité des marchés financiers

This First Supplement has been approved on 16 June 2023 by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129, as amended.

The AMF has approved this First 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, as amended.

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 First Supplement has been given the following approval number: 23-231.