2022 Universal Registration Document

including the Annual Financial Report
and the Integrated Report

CARMILA

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CARMILA

Vibrant retail venues

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The Universal Registration Document was filed on 6 April 2023, with the AMF as the competent authority under Regulation (EU) 2017-1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF, together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129. This Universal Registration Document including the Annual Financial Report is a copy of the official version which has been prepared in ESEF format and is available on the issuer's website www.carmila.com. This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

About this Report

Carmila has produced this Integrated Report for all its stakeholders: investors, tenants, retailers, customers and employees, as well as institutional and local partners. It reflects our determination to progress and our desire for transparent communication. It also sets out to provide – as part of a close, trust-based relationship with each stakeholder – a comprehensive overview of the Group, focusing on its governance, challenges, sustainable growth strategy, prospects and forward-looking vision. Jointly produced by Executive Management and all the divisions making up the Group, it provides the tools needed to understand how Carmila performed in 2022.

Founded by Carrefour and several large institutional investors, **Carmila is constantly innovating to create accessible, scalable shopping centres** that combine the best of both physical and digital retail. They simplify and enhance everyday life for tenants and customers in all our regions.

CENTRES EMBEDDED IN THE DAILY LIVES OF LOCAL COMMUNITIES

Carmila is a major player in the European retail landscape. It operates and manages a network of shopping centres that adjoin Carrefour hypermarkets and are primarily located in medium-sized cities. Thanks to this unique network of practical, friendly shopping centres embedded in the community, Carmila revitalises and simplifies life in the local regions.

France

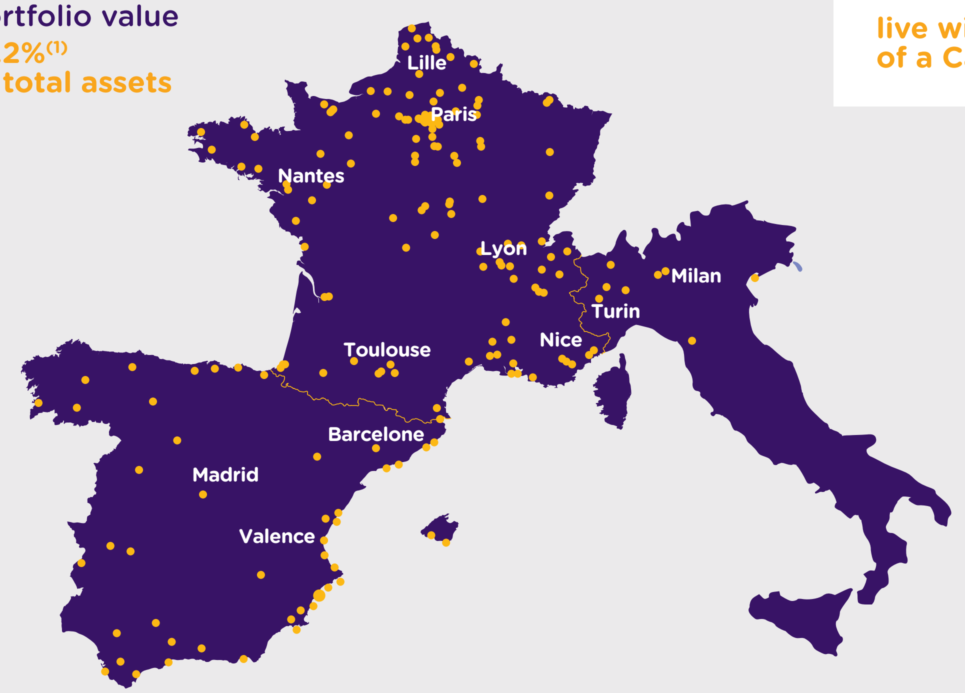
Comprehensive nationwide coverage. Centres located in leading hubs of urban areas.

121 sites

€4.391 billion(1) portfolio value

71.2%(1) of total assets

1 in 3 people in France and Spain live within 20 min. of a Carmila centre



Italy

Presence concentrated in northern Italy.

8 sites

€0.35 billion(1) portfolio value

5.6%(1) of total assets

Spain

Comprehensive nationwide coverage of the countryside and major urban areas (Madrid, Barcelona, Valencia, etc.).

79 sites

€1.4 billion(1) portfolio value

23.2%(1) of total assets

(1) Appraisal values, including transfer taxes.
(2) Excluding 1.5% of strategic vacancies at the end of 2022.
(3) Agreed or closed at 15 February 2022.
(4) Subject to approval by the shareholders at the Annual General Meeting.
(5) EPRA LTV ratio, including transfer taxes.

Carmila in figures

273
employees in 3 countries

€6.2bn
portfolio value[1]

>6,100
leases

96.5%
financial occupancy rate[2]

Milestones for Building Sustainable Growth strategic plan

Targets announced at the 2021 Capital Markets Day	Results at end-2022	
10% annual average recurring earnings per share growth for 2022 and 2023	**26%** growth in recurring earnings per share in 2022	✓
€200m in asset disposals by the end of 2023	**€240m** in disposals[3]	✓
€1 minimum annual per-share dividend, paid in cash, with a target payout ratio of 75% of recurring earnings	**€1.17** proposed cash dividend[4] per share (+17% versus 2021)	✓
40% Loan-to-value ratio (LTV)	**35.8%** LTV[5] at end-2022	✓
€30m incremental contribution of new growth initiatives to recurring earnings by 2026	**€4m** at end-2022	ON TRACK

Marie Cheval
Chair and Chief Executive Officer of Carmila

&

Sébastien Vanhoove,
Deputy Chief Executive Officer of Carmila

"2022 confirmed that we have the right strategy"

“2022 proved that our agile business model enables us to adapt, even to unexpected circumstances”

How would you summarise 2022?

Marie Cheval — It was a successful year for Carmila. In 2022, the world moved from a health crisis to a geopolitical and energy crisis, compounded with the return of inflation. Despite this challenging context, Carmila is ahead of schedule in meeting the targets of the Building Sustainable Growth strategic plan unveiled in late 2021 for 2022-2026. As planned, we have started our asset rotation programme with the disposal of six assets. Retailer sales returned to their 2019 levels. Our financial occupancy rate has hit a record high. All these factors demonstrate that we have the right strategy and illustrate the commitment of our teams, and I would like to take this opportunity to thank them. Their close relations with our retailers and the care they bring in meeting customers' needs played a key role in our success.

Sébastien Vanhoove — As Marie said, in 2022 we met the financial commitments that we made at the end of 2021. I would add to this the examples of our new business lines. Carmila Retail Development continued to grow, thanks to strong partnerships. Our tower company, Next Tower, is on target to contribute €10 million to annual recurring earnings by 2026 and has begun its roll-out in Spain. In this year full of unexpected challenges, our business model has demonstrated its strength.

What factors defined this characteristic year?

Marie Cheval — I think there are three. First, strong leasing activity, supported by our ability to test innovative concepts, to help retailers in moving towards the format that suits them most, and to deliver a true omnichannel experience, featuring the best of physical and digital retail. Second, our asset transformation projects. That is Carmila's core expertise. We have carried out more than 20 of these projects in our three countries – France, Spain and Italy. Our shopping centres are tailored to meet the expectations of customers and the needs of retailers, with a redesigned and optimised shopping experience, as in Laval. And third, our agility in adapting to energy efficiency measures and price inflation. This agility came to the fore in 2022 and will be crucial in the future in this ever faster moving world.

Sébastien Vanhoove — In terms of numbers, 854 leases were signed. That's as many as in 2021, which was already a record year. To offer our customers the services they expect, we continued to adapt our merchandise mix by bringing in innovative sales concepts, like digital native vertical brands (DNVBs), and enhancing our food service range and healthcare offering – which is essential for the local regions. Nine new Vertuo dental clinics were opened in 2022 across our network. Lastly, we further diversified our leasing formats by developing flash pop-up retail, a new solution designed to boost activity at centres and make physical retail accessible for new brands.

What advantages do Carmila's shopping centres offer in the current inflationary context?

Sébastien Vanhoove — Our centres are intensely committed to preserving purchasing power. Located primarily in medium-sized towns and cities, firmly embedded within their local communities, they offer a wide range of products and everyday convenience services, right next door to a Carrefour hypermarket. In a Carmila shopping centre, you can find everything, close to home, at all price levels, in synergy with a hypermarket. And that is probably one of the best responses to inflation. The new pressure on purchasing power emphasises how relevant our business model is.

Energy efficiency is a major concern for everyone. Where are you in your efforts?

Marie Cheval — One year ago we announced our CSR goals, including our target of achieving net-zero direct emissions by 2030. Sustainability is an integral part of our strategy, now more than ever. In particular, it underpins all our shopping centre modernisation projects. In 2022, we also started offsetting our greenhouse gas emissions with TerraTerre, through local farms. Last summer, we introduced additional measures to accelerate energy efficiency, reducing energy consumption by 20% for winter 2022 compared to winter 2019.

What is the outlook for Carmila in the years to come?

Marie Cheval — We are confident, because Carmila has many strengths, starting with its practical, everyday centres, which benefit from the draw of Carrefour hypermarkets and a refreshed merchandising mix. The health crisis showed how important our centres are to our customers. We also have our intrinsic advantages: our DNA as retailers, our desire and ability to innovate, and our agility to always adapt. Lastly, our Building Sustainable Growth strategy keeps us focused on our goals for sustainability and growth, as is evidenced in our dividend policy, which offers our shareholders a minimum payout of €1 per share until 2026.

Sébastien Vanhoove — It can be summed up in two words: confident and realistic!

“Our growth for 2022-2026 is based on three pillars: a role as an incubator and omnichannel platform, leadership in local regions’ sustainable transformation, and new business lines.

With this clear strategy and our collective determination, we delivered on our commitments in this first year of our strategic plan.”

MARIE CHEVAL & SÉBASTIEN VANHOOVE

2022 operating performance

Footfall

2022 as a % of 2021 levels

3 countries: **110%**

- France: **110%**
- Spain: **109%**
- Italy: **111%**

2022 as a % of 2019 levels

3 countries: **91%**

- France: **93%**
- Spain: **87%**
- Italy: **88%**

Retailer sales

2022 as a % of 2021 levels

3 countries: **121%**

- France: **124%**
- Spain: **113%**
- Italy: **114%**

2022 as a % of 2019 levels

3 countries: **102%**

- France: **102%**
- Spain: **102%**
- Italy: **101%**

Leasing

854 leases
signed in 2022, the equivalent of 11.7% of the rental base

Financial occupancy rate
96.5% (+0.2 basis points versus 2021)

Pop-up Stores

+5%
in revenue versus 2021
+38.4% versus 2019

Specialty Leasing

+8.4%
in revenue versus 2021

Next Tower

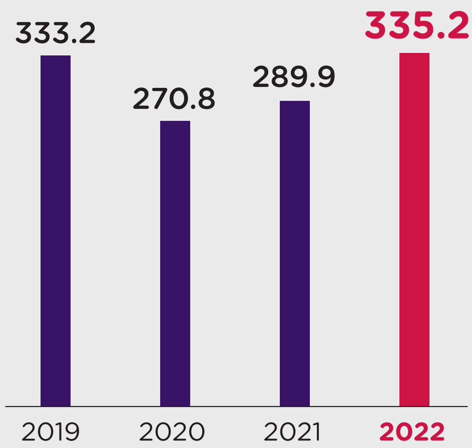
€1.5m
in locked-in rents

Carmila Retail Development

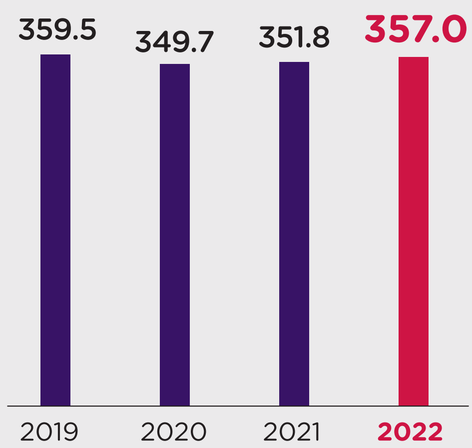
15 partnerships
277 shops including 32 opened in 2022

2022 financial performance

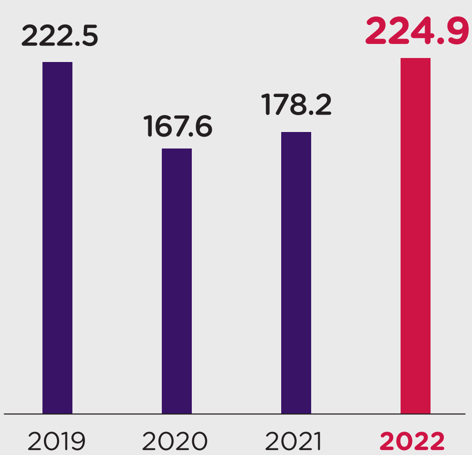
Net rental income
in millions of euros



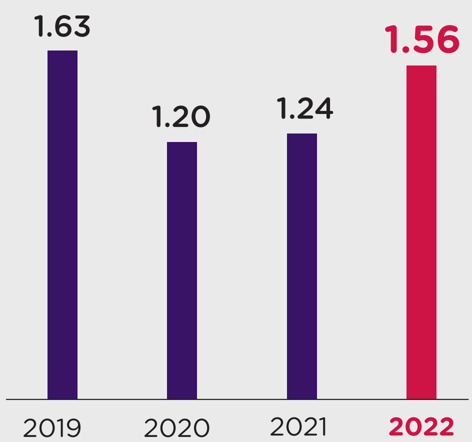
Gross rental income
in millions of euros



Recurring earnings[1]
in millions of euros

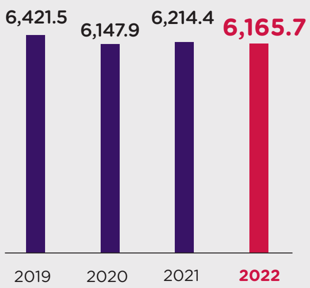


Recurring earnings per share
in euros



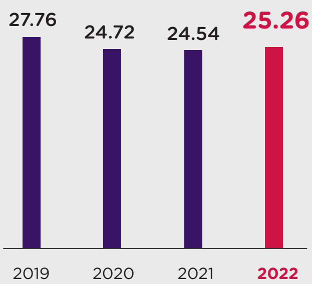
Portfolio gross asset value (2)

in millions of euros



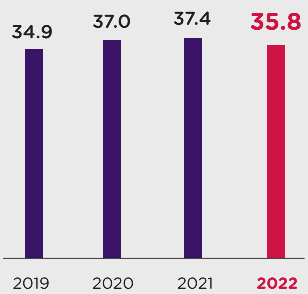
EPRA NTA

in euros per share



LTV ratio (3)

(including transfer taxes)
as a percentage



Share price and ownership structure

€13.34
Share price at 31 December 2022

143,849,042
Number of shares at 31 December 2022

€1,918,946,220
Market capitalisation at 31 December 2022

(1) EPRA earnings excluding non-recurring items.
(2) Appraisal values, including transfer taxes.
(3) Loan to value ratio: net debt/gross asset value (including transfer taxes) as of 31 December 2022.

Strategy: Building Sustainable Growth

RESOURCES	STRATEGY

FINANCE

- Stable shareholder structure
- Portfolio valued at **€6.2 billion**[1]
- Attributable equity of **€3,501.7 million**
- Net debt of **€2,203.9 million**
- LTV[2] ratio of **35.8%**

ASSETS & INFRASTRUCTURE

- **208** centres in **3** countries
- **98.5%** of centres within 500 metres of an eco-mobility solution
- **100%** of sites equipped with high-speed Wi-Fi

ECONOMIC & SOCIAL

Retailers and tenants

- A stable and diversified rental base
- **6,188** leases
- **40%** franchisees or independent retailers in France

Customers

- **Some 2 million** visits per day across our 208 sites

Local partners

- Footprint in **around 200** towns and municipalities
- A network of local organisations supported by each centre

SKILLED TEAMS

- **273** employees
- **57%** women and **43%** men
- **59.3%** of the workforce in local, front-line positions

ENVIRONMENT

- Energy use at our centres: **127 kWh/sq.m.**
- **13%** of electricity used from renewable sources

In line with market trends

Demographics
Rise of medium-sized cities
Generation Z

Consumer expectations
CSR
Purchasing power
Healthcare and other services

Transformation of the retail sector
Omnichannel approach
Customer experience

(1) Appraisal value including transfer taxes at 31 December 2022 – (2) Loan to value – (3) Minimum guaranteed rent – (4) November 2022 survey: Carmila France, Spain, Italy – (5) versus 2019 – (6) May, June and September 2022 surveys: Carmila France, Spain, Italy – (7) 2022 Customer satisfaction survey: France, Spain and Italy.

Purpose statement

"Simplify and enhance everyday life for tenants and customers in all our regions"

ASSETS ▶ VALUE CREATED

Competitive advantages

Unique partnership with Carrefour

Leading centres in medium-sized cities

Practical, accessible sites blending into their environment

Strong growth drivers

Dynamic, expert and agile teams

Programme of responsible initiatives

here we act

Planet

Local regions

Employees

FINANCE

- Annualised MGR[3] of **€363.8 million**
- Regular dividend payments since the company's creation

ASSETS & INFRASTRUCTURE

- Renovation plan **100%** complete
- **97.1%** of centres BREEAM-certified[1]
- **110** sites equipped with 5G antennas
- Almost **2 million sq.m.** of green spaces

SKILLED TEAMS

Our employees

- **13.5%** of employees on work-study contracts
- **91%** of employees satisfied with the company (+2 pts)[4]
- **94%** of employees proud to work for Carmila (+3 pts)[4]
- **23** hours of training on average per employee
- Workplace equality index: **95/100**

ENVIRONMENT

- **16%** reduction in energy intensity per sq.m.[5]
- **13.7%** reduction in Scopes 1 & 2 emissions[5]
- **62%** of waste recovered

ECONOMIC & SOCIAL

Retailers and tenants

- **277** stores opened by partners of Carmila Retail Development, including **123** in Carmila shopping centres
- **42.4%** of centre management teams have proposed a second-hand offering
- **64%** of tenants are satisfied with their centre[6]

Customers

- **91.3%** of shoppers are satisfied with their visit[7]
- Customer NPS (Net Promoter Score): **+15 pts**[7]

Local partners

- **1,427** CSR events (three countries), of which **80%** community outreach
- A job support initiative introduced by **98.2%** of centre management teams
- **99.5%** of centres implemented a CSR awareness-raising initiative and **85.7%** carried out an action on health issues
- **99.5%** of centres supported a community outreach cause and **76.4%** supported a cause related to children

Stake-holders

Visitors

Retailers and tenants

Suppliers

Investors

Local communities

Public authorities

Employees

Tangible progress on our CSR strategy

Sustainable development underpins every aspect of Carmila's strategy. With our "Here we act" program of responsible initiatives, we have set long-term objectives, in line with the UN Sustainable Development Goals (SDGs). Below is a recap of the progress made in 2022.

The unabridged version is presented in chapter 4 of the Universal Registration Document.

HERE WE ACT FOR THE PLANET

OBJECTIVES	2022 RESULTS	SDG
STEP UP ACTION TO COMBAT CLIMATE CHANGE		
• **Low carbon strategy**: net zero emissions from Scopes 1 & 2 by 2030 with a maximum 10% offset by 2040	• 13.7% reduction in location-based Scopes 1 & 2 GHG[1] emissions • 53% reduction in market-based Scope 3 GHG[1] emissions	13
• 40% reduction **in energy consumption** by 2030 (versus 2019)	• 16% reduction in energy intensity[1]	7, 13
• Offer **eco-mobility** solutions within a 500-metre radius of all centres by 2025	• 92.3% of shopping centres are less than 500 meters from a public transport link • 98.5% of shopping centres are less than 500 meters from at least one eco-mobility solution	11, 13
ADOPT A MORE FRUGAL APPROACH TO THE USE OF RESOURCES		
• 100% of **material and energy waste** recovered by 2025	• 62% of waste recovered	7, 12
• Introduce **biodiversity** initiatives at all our shopping centres by 2023	• 50.5% of shopping centres have taken an initiative to protect biodiversity • 37 centres have committed their service providers to responsible landscaping maintenance	15
• Reduce **water consumption** to below 1 litre per visitor by 2025	• 1.18 litres per visitor (reported scope)	12
IMPROVE THE RESILIENCE OF OUR ASSETS AND THEIR GREEN VALUE		
• Adaptation plan and **resilience solutions** for 100% of assets exposed to climate change risk by 2025	• Survey of climate risks for 22 centres.	11, 13
• 100% of assets **BREEAM-CERTIFIED** by 2025 and rated Very Good by 2030	• 97.1% of centres by portfolio value were BREEAM-certified at 31 December 2022 and 33% with a Very Good BREEAM In-Use rating	11

(1) Compared with 2019.

HERE WE ACT FOR LOCAL REGIONS

OBJECTIVES	2022 RESULTS	SDG
SUPPORT AND CONSOLIDATE THE LOCAL ECONOMY		
• 100% of centre management teams offer at least one **job support initiative** in 2022	• 98.2% of centre management teams lead job support initiatives	8
• At least 38% of centres include a **responsible second-hand offering** in 2022	• 42.4% of centre management teams have proposed a responsible second-hand offering	12
• **Conduct surveys of all tenants** on a regular basis and track Group NPS	• 64% of the retailers surveyed say they are satisfied • Retailer NPS: +3 pts	8
• A broad range of **channels**: surveys, responses to online reviews, on-site dialogue, etc. • Track the **Group NPS** and make it more reliable	• Customer NPS: +15 pts • 91.3% of visitors are satisfied (France, Spain, Italy)	8 12
FULFIL OUR ROLE AS A CORPORATE CITIZEN		
• Run at least one **CSR event** per centre in 2022 and in 2023	• 99.5% of shopping centres with a centre management team ran a CSR event during the year	12 13
• Support a youth-related **community outreach initiative** in 2022 and in 2023	• 99.5% of centres with a management team ran a community outreach initiative • Extension of the partnership agreement with Chemins d'avenirs • 4 new non-profits supported through sponsorship	10

HERE WE ACT FOR EMPLOYEES

OBJECTIVES	2022 RESULTS	SDG
FOSTER DIVERSITY		
• Diversify recruitment methods and have more than 10% of the workforce made up of people in **work-study programmes** • Train senior executives and managers on issues of **cultural bias** by 2022 • Conduct an awareness raising campaign on the topic of **disability** • Draw up a **Responsible Recruitment** Charter	• 13.5% of employees in France on work-study contracts • Cultural bias training session for senior executives and managers in April 2022 • Awareness raising campaign on the issue of disability in November 2022	10
• **Workplace equality** index of 90/100 for the Group by 2022, and up to 92/100 by 2023 • Formalise and sign an agreement on **Diversity**	• Workplace equality index of 95/100 for the Group as a whole	5
DEVELOP EMPLOYEE POTENTIAL		
• Enhance the **induction** process (mentoring) • Offer at least one **training** course to 100% of employees • Hold at least one **review** per employee annually to address career prospects	• At least one training course offered to 100% of employees and 90.06% received training • Continuation of Integration Weeks for all new arrivals • Mentoring programme maintained for all permanent employees • 99% of employees had an annual review • 21 employees were promoted or benefited from an internal transfer within the Carmila/Carrefour groups	3 4
FOSTER EMPLOYEE ENGAGEMENT AND CO-BUILD CARMILA'S FUTURE		
• Run **employee satisfaction** surveys and track NPS	• 90% of employees express satisfaction with their jobs and 91% with Carmila • Global NPS: +12 • 28 meetings held with employee representatives	3
• Maintain at least one **awareness-raising** initiative each half year • Add new CSR indicators to the criteria for calculating employee bonuses	• 6 awareness-raising seminars • Some 20 awareness-raising newsletters sent out • Continued use of CSR KPIs in the calculation of variable compensation	4 13
RESPONSIBLE PURCHASING		
• Include the Ethics Charter in 100% of France delegated works contracts • Continue to deploy the **responsible purchasing policy** • Achieve a local purchasing index score of above 60% for construction inputs	• All delegated works contracts in France incorporate the Ethics Charter, and all include the Responsible Purchasing Charter further to its roll-out in June 2022 • Local purchasing index operational in 45.9% of current project contracts • Stage-by-stage roll-out of the Responsible Purchasing Charter for the Group's three countries	8 12 16
ETHICS		
• Provide specific training for 100% of employees exposed to **corruption risks**	• Training provided to 100% of employees exposed to ethical risks	8 16 17

Incubator and omnichannel platform for retailers

Carmila aims to be a partner retailers can depend on every day.

As an incubator, Carmila supports the development of new concepts and formats. As an omnichannel services platform, Carmila helps retailers deploy the best of physical and digital retail to offer visitors a unique experience.

“We give retailers solutions to help them grow”

Éric Robert, Leasing Director, Carmila France, and **Sandrine Mercier,** Marketing, Network, Digital & Innovation Director

What is your assessment of 2022?

Éric Robert — With 854 commercial leases signed, which comes close to the 2021 record, leasing activity continued its strong momentum again this year. We picked up the pace in rolling out our healthcare offering in our centres and considerably developed food services, bringing in all sorts of new brands and retailers, with digital, international, local and high-profile names. These are all moves in the right direction.

Sandrine Mercier — From activities organised in synergy with Carrefour to our first steps in Web3, in 2022 we tested a range of new solutions to improve our customers' omnichannel experience. We also reorganised our structure to bring us even closer to our retailers, such as creating a BtoB marketing division with people designated specifically to manage relations with retailers.

Are these outcomes in line with Carmila's 2022-2026 strategy?

Éric Robert — Absolutely. Our shopping centres must move with the times. We plan on achieving that by making our centres genuine hubs of community life, with a retail mix that meets customers' expectations. We continuously seek to bring in original solutions, especially in our priority sectors: in healthcare, by means of a comprehensive offering that meets the clear need for access to care; in food services, to make shopping a more pleasurable and convenient experience; and in DNVBs. Our good leasing results in 2022 were made possible thanks to the commitment of Carmila Franchise, our service that connects franchisors and franchisees; our wide range of leasing formats, from traditional commercial leases to flash pop-up stores; and support for our retailers through the various stages of their business development. On the back of all this work, the newly-renovated Laval shopping centre introduced some ten new tenants in 2022 that were opening their first retail outlet in the region.

Sandrine Mercier — Our actions are based on two major pillars: attracting people by reinvigorating the shopping experience and boosting engagement with the shopping centre in ways that increase retailer sales. Conducting studies upstream to better understand our customers, analysing their opinions after their visit, and running purchasing power campaigns underpinned by a strong digital dynamic are all ways in which we remain attentive to the needs of our customers and continuously try to serve them better. In 2022, we overhauled the entire customer experience, with the aim of streamlining it to deliver a genuine experience that makes people want to stay and come back for more.

What drives you?

Éric Robert — At Carmila, we want our retailers to enjoy long-term success. We are the partner that retailers can depend on, and we do everything we can to support and guide them.

IN FIGURES

854

leases signed in 2022

15%

of retail space devoted to healthcare by 2026

45%

of French people want more everyday convenience services[1]

36%

of French people want a more frequently refreshed retail offering[1]

82%

of French people prefer to do their leisure shopping in physical stores rather than online[2]

The response from Carmila

OUTLOOK

Today's customers want convenience and everyday practicality. They want to choose where, when and how they shop.

With deep ties to their local communities in France, Spain and Italy, Carmila's 208 shopping centres are practical, friendly and convenient spaces embedded in the community. They deliver an omnichannel experience combining physical and digital retail based on the "everything under one roof" model. At its centres, Carmila consistently strives for the best balance between leading large retailers, exclusive offers and local brands. Carmila supports the deployment of promising new and innovative concepts and facilitates the set-up process, in particular for digital native vertical brands, or DNVBs, and encourage the renewal of offerings through its pop-up stores. To give its centres an even more useful role in their local communities, Carmila is enhancing its food services and has made it a priority to develop healthcare services.

(1) *Les Français et les centres commerciaux* (The French public and their shopping centres), study by Odoxa for Carmila, 2022.
(2) DNVB Ready Prize, survey of Carmila shopping centre customers, 2022.

Spotlight on the merchandise mix

To offer a balanced, renewed and attractive offering, Carmila carefully monitors consumer trends and deploys flexible leasing formats to provide each retailer with a solution that suits their needs.

Creating a space where customers can find all the products and access the everyday convenience services they need is ingrained in Carmila's DNA. Healthcare is a key concern and is in high demand from customers. Carmila has therefore set a clear target: pharmacies, medical clinics, dental clinics and opticians will account for 15% of Carmila's shopping centre offering by 2026. To reach this goal, Carmila stepped up its business in this sector again in 2022, signing more than 35 leases and opening a 1,200 sq.m. pharmacy at Vénissieux on 19 December. In dental services, nine new clinics under the Vertuo brand created by Carmila in 2021 opened in France, and four new Dental Star clinics opened in Spain.

Diversifying food services

Another priority for Carmila is food services, with the aim of developing a diversified offering that combines new concepts such as the Bohébon healthy eating chain, high-growth restaurants including Crêpe Touch, My Little Warung and Factory&Co, and firmly established names like Burger King. As a symbol of this strategic direction, Carmila launched a project in May to create a food court at Puget-sur-Argens, which will feature four new restaurants in the summer of 2023, including Au Bureau, Hippopotamus and Black & White. And customers have given their seal of approval. In Langueux, Holly's Diner opened its 20th restaurant in November with its first ever drive-through, attracting more than 30,000 customers in the first month.

Supporting web brands

Innovation underlies Carmila's every action. Carmila is always looking for ways to bring novel ideas to its centres and has an active policy of supporting innovative concepts, starting with DNVBs. For these digital native vertical brands, opening a space in a shopping centre is an opportunity to boost awareness, increase revenue and build loyalty, by creating a new customer experience. To guide these brands in setting up a physical store, Carmila launched the DNVB Ready Prize in 2021. Drawing 144 applications, twice as many as in 2021, the 2022 edition was a great success. The three new winners, Merci Handy (cosmetics), Sport à l'affiche (personalised sports posters) and Waekura (jewellery), will each receive a support package to help them integrate a Carmila shopping centre, as did 2021 winner Flotte (rainwear made from recycled plastic), which opened a store at BAB2 in Anglet. In 2022, BAB2 also saw the opening of the fourth Marquette, a concept store dedicated to DNVBs and created by Carmila in partnership with Digital Native Group.

Agile pop-ups

Carmila is also developing pop-up retail, a flexible format that helps

32

agreements signed by Carmila Franchise, including five with restaurant chains

An active year for Carmila Franchise

Carmila Franchise offers a comprehensive analysis of gaps, business model and growth potential, as well as location finding solutions. Its turnkey service connects franchisors and potential franchisees and supports new businesses in getting started, based on the principle of "the right retailer, in the right place, for the best possible results".

boost activity at shopping centres, meet the need for innovation, enhance the customer experience and bring physical retail within reach for all retailers. While commercial leases structure long-term business relationships, pop-up formats provide the opportunity to set up a space in a shopping centre for periods ranging from a few days to a few months. The solution is ideal for testing a concept or location, organising a sales event, promoting online-only offers, selling seasonal products or generating additional revenue. The all-new format of flash pop-ups, which consists of renting a location for just a few days, met with tremendous success in 2022. A perfect example is the Urban Flea Market, an event organised around trainer culture, which attracted crowds of visitors to Labège 2. In a sign of its confidence in the concept, Carmila opened Cité Pop Up, a space dedicated exclusively to pop-up retail, at Cité Europe in mid-October.

Omnichannel objective

These days customers want continuity between their online and in-store experience. Carmila supports retailers on their digital journey. Its digital ecosystem improves communication between centres and brands, in particular by strengthening their social media presence. In 2022, Carmila collaborated with Carrefour and retailers to deploy numerous initiatives and strengthened its partnerships to bring people into its centres. The objective is to develop the appeal of stores and the revenue they generate. With a focus on financial efficiency, the shopping centre management and marketing teams are working to foster customer and retailer satisfaction. Marketing campaigns were directed around purchasing power, with vouchers and gift cards distributed for use at the shopping centre, like the "Happy Shopping" campaigns at the beginning of the school year and at the "Noël XXL" promotion at Christmas, as well as developing videos streamed by a new strategic partner, Brut. This action brought Carmila shopping centres unprecedented visibility among 50 million social media subscribers. Lastly, Carmila has taken its first steps in Web3. After buying a virtual plot in the metaverse, it teamed up with the Carrefour at Nice Lingostière to organise the NFBees campaign, an event in which NFTs in the form of bees were available for purchase to raise customer awareness of the need to save real bees back on planet earth – a novel approach to sustainability!

ACHIEVEMENTS

CITÉ EUROPE INTRODUCES CITÉ POP UP

The modular furnished Cité Pop Up space is dedicated exclusively to pop-up retail, where 20 sq.m. to 65 sq.m. units are available for rent from two days to two months. The first retailer to open there was the local coffee shop La Cafétoria.

VINTED GO LOCKERS COMING SOON TO CARMILA CENTRES

Vinted Go sellers will no longer have to travel miles to pick up and drop off their parcels. They can just go to their local Carmila shopping centre and pick them up or pop them in a locker, and delivery will be taken from there. This innovative service will be tested at four centres in the Paris region in 2023.

local action in practice

Virtual plot in the metaverse, by BEM Builders

OMNICHANNEL

"We are constantly launching and testing a variety of innovative projects.

This is our way of building our omnichannel offering. Our staff work closely with shopping centre managers and use their talent to create a network of ad hoc partners, tech start-ups and specialised agencies. For example, in 2022 the We Are Influence agency connected us with a new portfolio of influencers that will enable us to reach new communities. We also started working with Web3 consultancy BEM Builders to create future experiences with brands in our virtual plot in The Sandbox Metaverse purchased in 2022. These initiatives were all taken in synergy with Carrefour, to offer events that are in line with those organised by the hypermarkets and to advance in innovative areas. Also, we are continuing our collaboration with Partoo, to increase our retailers' online visibility, and with Labellium, which helps us communicate in a more targeted way, within the catchment area of each centre. A real team effort!"

Paul Guillon
Marketing, Digital and Innovation Manager

FLASH POP-UPS

"Scarcity and innovation are powerful drivers for attracting customers, and retailers know it.

To further expand the realm of possibilities, in 2022 we developed flash pop-up stores, an innovative format that gives retailers up to one week to create a buzz with their concept. The sales event road show format is very popular, as illustrated by Le Hangar's trainer clearance sale which was launched in late 2021 at Labège 2 and continued in 2022 at 14 other centres, from Beauvais to Chambéry, drawing huge crowds. The flash pop-up is also the ideal format when organising campaigns that are not just sales, but entire event-driven programmes, including activities, workshops and demonstrations around a particular theme. Whatever the chosen format, pop-up retail requires specific guidance on matters such as using the space, communicating or dealing with administrative procedures. At Carmila, we take care of as many technical and administrative aspects as possible, so that our tenants can concentrate on the what matters to them – trading."

Christina Kerouedan
Director of Pop-up Stores & New Partnerships

Le Hangar Pop-up store at Labège 2

Leader in the sustainable transformation of local regions

Carmila works hand in hand with local stakeholders to meet the new challenges of society and new environmental and urban development priorities. It transforms its shopping centres into sustainable and responsible hubs of community life and, as a key contributor to the social and economic fabric, acts for local regions and their residents.

“Our centres support regional development. We aim for them to be environmentally friendly and show solidarity.”

Marine Hurpin, Chief Operating Officer, France and **Corinne Teste,** CSR Director

How does Carmila adapt its sites to transform them into community hubs?

Marine Hurpin — We focus our action on two areas. First, we build a diversified offer that is tailored to the specific characteristics of our centres and their customers. Operations must facilitate the implementation of the services and activities that our customers want most. This means, for instance, developing a new location for a Vertuo dental clinic, extending and restructuring a centre to develop a food park, as with Puget-sur-Argens, merging retail units into a large space to accommodate a retailer capable of driving footfall, as with Action at Sannois, or converting a former medium-sized outdoor unit into three new ones, as at Flins-sur-Seine. And second, we improve the customer experience by looking at factors such as accessibility, signage, rest areas and vegetation. In addition to renovating centres and updating offerings, we are studying urban mixed-use projects to turn our sites into modern-day city squares. Examples of this approach include Sartrouville and Nantes Beaujoire.

Where does CSR fit into these operations?

Corinne Teste — CSR, captured in our “Here we act” programme, is of course taken into account in the transformation of our sites. This may involve setting up a new heating system to reduce energy consumption and greenhouse gas emissions, introducing second-hand offerings or local brands to shorten supply chains, or working with the regional authorities to set up soft mobility options to transport people to our centres, by installing bike lanes and organising efficient bus services.

Marine Hurpin — When we take on a major project, we always ask ourselves about the efficiency of facilities and the environmental impact. The Laval site, which was upgraded in 2022, is a good example of this. The works included insulating the façade, using solvent-free paint, installing LED-only lighting and a solar water heater. Its renovation was carried out with the environment in mind.

What were the other major CSR advances in 2022?

Corinne Teste – We have accelerated our actions to improve energy efficiency and achieve carbon neutrality by 2040. A case in point is our partnership with the start-up TerraTerre to offset part of our emissions and the audit of our centres’ energy consumption. Action plans will be rolled out starting in 2023, focusing on the centres that consume the most energy. We have also raised employee awareness through webinars on waste management and carbon offsetting, and we have developed community partnerships, such as the one with Chemins d’avenirs.

IN FIGURES

83%

of French people believe that shopping centres should do more to protect the environment and promote new forms of mobility[1]

1,427

CSR events organised in 2022

Zero

net carbon emissions in Scopes 1 & 2 by 2030

100%

of sites BREEAM-certified by 2025 and rated Very Good by 2030

72%

of French people think that shopping centres should play a role in supporting the vitality of towns[1]

The response from Carmila

OUTLOOK

Purchasing power, the environment and healthcare are among citizens' greatest concerns.

Located adjacent to a Carrefour hypermarket, Carmila shopping centres are built to human scale and offer a wide range of retailers and services. From leading brands to low-cost stores, from restaurants to healthcare services, they have everything, at all price levels and close to home. In response to demand for more responsible consumption, Carmila shopping centres emphasise local brands, second-hand retail and everyday convenience services.

They play an active role in the local community, defend customers' purchasing power, and engage in community outreach initiatives to support employment, healthcare and young people. Committed to a net zero carbon trajectory, Carmila is taking action to improve the energy and environmental performance of its shopping centres and better integrate them into the city. That includes working closely with the local regions to create the conditions for more environmentally friendly mobility.

(1) *Les Français et les centres commerciaux* (The French and shopping centres), study by Odoxa for Carmila, 2022.

Transforming our sites

Carmila is pressing ahead with its programme to modernise and revitalise existing sites to make them more attractive and bring them in line with customer expectations. These investments also factor in the project's environmental impact.

Carmila led about 30 transformation projects at its shopping centres in 2022. The prime objective was to improve the quality of the offering and provide customers with a broader range. On each site, careful consideration was given to setting up or extending the healthcare offering. About a dozen pharmacies were extended, transferred or expanded, such as at Vénissieux, which is now home to the largest pharmacy in the Lyon region. Car parks were significantly redesigned in the aim of boosting the food service offering. Following the example of Burger King and Del Arte at Angoulins, seven new restaurants with outdoor areas were opened, without using any greenfield land. Groundwork is also being laid to set up medium-sized units, such as in Spain, with Kiabi at Gran Sur and Tiendanimal at Badajoz Valverde. At Sannois, the opening of a 1,000 sq.m. space for value retailer Action, hugely in demand for its low prices, and the renovation of the adjoining McDonald's, have brought fresh energy to the centre. All other recently renovated sites have enjoyed similar benefits. In Spain, renovations at Los Llanos and San Juan de Alicante have enhanced the comfort of the customer experience.

Keeping the environment in mind

Through landscaping, safe pedestrian routes, bus stops located in the immediate vicinity of the centre, and the impeccable upkeep of the grounds, projects are always designed to improve accessibility, urban integration and environmental performance. To respond to new mobility challenges, electric vehicle charging stations are being installed in car parks at a faster pace. By the end of 2022, 55 centres will be equipped with EV charge points, powered exclusively with clean energy. The Laval shopping centre, a flagship project for 2022, captures what a Carmila renovation is all about. Laval was redesigned both inside and out, featuring wooden entrances and glass ceilings, a simplified customer path and an updated retail offering. Accessibility was also improved, with its bike lane and EV-only parking spaces. The centre is also more energy efficient. Its electricity consumption fell 55% between July and October 2022 compared with the same period in 2021. This is a key achievement in Carmila's pathway towards energy efficiency.

Reducing the carbon impact

In addition to its commitment to a net zero carbon trajectory for direct emissions, Carmila has stepped up its efforts to limit the carbon emissions of its shopping centres. All Spanish centres now run on renewable electricity from photovoltaic sources. In France, the large-scale restructuring at the Toulouse Purpan centre offered the opportunity to replace the gas-powered heating and air conditioning system with an adiabatic system, which is more energy

20%

reduction in energy consumption in winter 2022-2023

Compared with 2019-2020

Energy efficiency target

Maintaining a maximum temperature of 17°C in passageways, turning off illuminated signs and outdoor lighting when shopping centres close, and switching off non-essential lighting are energy efficiency measures that Carmila has taken to stay on track with the energy-saving targets set by the government at the start of winter, in addition to its large-scale action plan currently under way. The outcome was a 20% reduction in electricity consumption.

efficient and pollutes less, similar to the changes made at Orléans Place d'Arc. The initial results spoke for themselves. During the heatwaves in the summer of 2022, electricity consumption and the corresponding greenhouse gas emissions were cut by 53%, while maintaining an indoor temperature of around 26°C. To offset part of its emissions, Carmila partnered with start-up TerraTerre, which helps farmers transition to low-carbon agriculture practices. The target is to avoid 4,200 tonnes of carbon emissions over five years, starting in 2022. In its efforts to make sure that regions also benefit from this policy, Carmila is financing projects at 10 farms located near its centres. Lastly, to promote biodiversity, a charter is being rolled out that requires service providers to engage in responsible landscaping maintenance at Carmila shopping centres. All contracts are expected to incorporate the charter in 2023.

Useful for residents

Carmila's integration into the local region also serves social and societal objectives. As community hubs, its shopping centres are designed to be practical. To better coordinate the actions implemented by centres and measure their impact, in 2022 Carmila decided to organise key events around three priorities: employment, healthcare and community outreach. In France, these events reached 613,000 people and raised €227,000 for non-profits over the year. More than 400 employment-related initiatives were implemented, including forums, Shop Ton Job posting boards and workshops, such as those organised with Randstad at 14 centres in Spain. Committed to supporting young people, Carmila signed a partnership in 2022 with the non-profit Chemins d'avenirs, which runs initiatives such as setting up mentoring programmes to seek out young talent from outside the major French cities. Ten staff members each work with a young individual to guide them in their academic journey and in choosing a job. In Spain, Carmila signed a partnership with the ADSIS foundation, which promotes education and professional integration, and in Italy supports Telefono Azzuro, a non-profit that works to defend the rights of children and teens.

In 2022, Carmila also implemented more employee awareness actions, via webinars and newsletters, and created a network of 12 volunteer internal ambassadors from different departments and its network of shopping centres. It also worked with retailers to help them meet their new obligations under recent French regulations requiring them to take action as of 2022 to reduce their energy consumption.

ACHIEVEMENTS

A NEW CENTRE IN SPAIN

Carmila acquired La Rosaleda shopping centre in Málaga in the spring of 2022: 73 shops, including two medium-sized units, Decathlon and Lefties, and a leisure complex featuring a cinema. This acquisition is part of Carmila's asset rotation programme and came in the wake of signing an agreement to sell six centres in France.

DEVELOPING SECOND-HAND RETAIL

With a second-hand offering available at 42% of its shopping centres in 2022, Carmila has surpassed its initial target of 38%. Illustrating the expansion of this concept during the year, pre-loved gear cooperative Vesti Solidale opened a pop-up store at Paderno Dugnano in Italy.

local action in practice

COMMITMENT

"You need to be multi-skilled!

In the space of a few hours, I can visit a construction site for a future store, meet with an elected official, reply to a customer's comment, and talk to a non-profit that wants to organise a fund-raising event, a retailer about recruitment or the marketing team about launching a campaign.
No two days are alike and I am in contact with tons of people about all sorts of issues. That's what I love about my job. The relationship with retailers, especially, is very strong. Close relationships are an important part of Carmila's DNA. I know all the retailers personally at all 45 stores, and each one requires a different approach. A year ago, I decided to become a CSR ambassador for France's northern region. Acting to build a more sustainable future is part and parcel of the everyday duties of a shopping centre manager. But I thought it was important to do more for my region, to make a real commitment, by passing on Carmila's strategy to those around me. And more importantly, to report back the good ideas from the field.
The first day was spent with the other ambassadors on a farm in Cholet that we support via TerraTerre. It brought us all together and was very helpful in gaining insight into Carmila's commitment. I'm proud to be an ambassador, and hope to support many more CSR projects in 2023."

Julie Vancappel
Manager of the Carrefour Douai shopping centre

REMODELLING

"A historical Carmila centre, Laval was ripe for a revamp

With people from design, leasing, construction works, centre management, architecture firm, asset management, etc., we all worked together to create a more pleasant shopping centre for local residents and a more energy-efficient centre that is better connected to its surroundings. Basically, a shopping centre that is more in tune with what customers want these days.
With 11 new retailers, including seven franchises and independent players, the offering has expanded considerably. For example, a former 800 sq.m. cafeteria was transformed into five additional shops. Other additions include a stand-alone bakery, which local residents had wanted for some time, a Holly's Diner and new brands to the region, such as Du Bruit dans la Maison, Courir, Iona and Blue Box.
All this effervescence has created a positive dynamic in the region and encouraged other retailers at the centre to revamp their own stores. The local officials are also delighted. As a space where the community can come together, the shopping centre rounds out the city centre offering and seamlessly integrates into the greater region."

Guillaume Lopez
Head of Operations, Western Region

Breaking new ground

Carmila is investing in two business lines to complement its traditional role as a property company – digital infrastructure and new retail concepts – which will contribute to future growth. These activities contribute to refreshing the retail offering and to transforming local regions.

“Our goal? To contribute sustainably to Carmila’s growth”

Frédéric Desprès, Chief Operating Officer and Director of Carmila Retail Development, and **Romain Pierry,** Managing Director of Next Tower

What is the purpose of Carmila’s new businesses?

Frédéric Desprès and Romain Pierry — Although retail remains our core business, we are always looking for new ways to add value to our real estate assets. Carmila Retail Development and Next Tower embody the vitality that we want to impart on our shopping centres and the regions where they are located, turning them into genuine community hubs. In addition to being drivers of future growth, these two business lines are also symbols of Carmila’s agility and inventiveness.

What is the mission of Carmila Retail Development?

Frédéric Desprès — Supporting entrepreneurs that we believe in by investing in their company, always taking a minority stake. Their concept should bring an edge to our centres, but the plan should remain their own. We have a simple message for entrepreneurs: if you like the idea of opening a space in Carmila shopping centres, we’re there to support you. We help them lay foundations to support their ambition, and then allow them to benefit from the Carmila ecosystem so that they can turn their project into reality. Our goal is to manage a portfolio of about 20 retailers. Carmila Retail Development is now recognised as a real catalyst for developing a network.

And the mission of Next Tower?

Romain Pierry — Next Tower is a tower company: we rent space on towers installed on unused land in our shopping centres to mobile telephone operators. This achieves two objectives: maximising the use of this land – and we have lots of space where we can do that thanks to our dense regional network and our synergy with Carrefour – and meeting the need for digital infrastructure to improve connectivity in the regions. We aim to build 400 towers by 2026.

What is your assessment of 2022?

Frédéric Desprès — With 37 new points of sale, 2022 was a great year for the retailers supported by Carmila Retail Development. We accelerated the development of existing partnerships, in particular those signed in 2021, such as with Vertuo, and secured new ones, such as with the burger and cheesecake specialist Factory&Co. We are now partners with 15 brands, including three in Spain, and we are always on the lookout for trends and concepts that are compatible with our customers’ expectations. In 2023, we will turn our attention to rotating our assets, as our aim is to divest once entrepreneurs can stand on their own two feet.

Romain Pierry – It was a busy year. We strengthened our relationships with carriers in France and started developing our activity in Spain. We are on track to reach our target of contributing €10 million to annual recurring earnings by 2026. We have already come around a quarter of the way. And we are also looking into other sources of growth in the digital infrastructure space.

Entrepreneurial culture at Carmila Retail Development

Carmila Retail Development invests directly in promising retailers, guiding them as they set up operations and supporting their growth. This helps diversify the range of products and services on offer in Carmila shopping centres, transforming them into community hubs that meet everyday needs.

Carmila carefully selects the retailers in which it invests. The first criterion examined in the investment decision process is the concept. It must be innovative and have high potential, and must also be practical – which is clearly the case for healthcare, food services and everyday convenience services. These activities are essential for customers and are particularly sought after by the Carmila Retail Development teams. Next is the entrepreneur's profile and personality. The individual's mindset and ambition must be consistent with customer expectations and fit in with the nature and culture of Carmila centres. Once the partnership is sealed, entrepreneurs receive all the support they need to roll out their project. This can include the choice of locations, cash management, marketing strategy, advice on product listings, and more. Support is provided at all levels and at all stages. Unique on this scale, this minority interest model benefits all stakeholders. Customers enjoy access to new products and services; the entrepreneur benefits from a real helping hand, and Carmila strengthens its financial performance through the rent paid by partners and the increase in value of the shares invested as the network develops.

15 retailers supported

At the end of 2022, Carmila Retail Development had 15 retailers under its wing at various stages of development, including Marquette in France, a retailer dedicated to digital brands, and, in Spain, Centros Ideal beauty clinics and Dental Star clinics. Carmila's long-standing partners continued to expand, such as the men's hair salon chain La Barbe de Papa (five new shops) and the vaping retailer Cigusto, which achieved its ambitious strategic plan by clearing the symbolic mark of 100 points of sale this year. Now with a firm footing, in 2022 the company also completed plans to move its headquarters and automate its logistics warehouses. With nine new clinics opened, Vertuo is becoming a major player in dental care in France. At a time when access to medical services outside of the major cities is a growing issue, Vertuo provides quality care in convenient locations. Its growth will continue in 2023, driven by the needs of the medium-sized cities in which Carmila operates.

Early successes

The partnerships signed in 2021 have come to fruition with the first store openings, including Mon Petit Herbier (ten points of sale), hearing aid specialist Meilleur Audio (two centres) in healthcare, and Bohébon (poke bowl specialist), which rounds out the food services offering by adding a fresh and healthy note to centres.

Rémi Boglio, co-founder of Bohébon

"Bohébon's concept: healthy, home-made fast food prepared with fresh, quality products. We have already opened eight points of sale, and another five are planned for 2023. On our own, we would not have been able to develop so quickly. Carmila Retail Development advises us on all aspects – recruitment, organisation, cash flow, study of energy suppliers – with a detailed road map. That means we can anticipate things and make the right decisions more quickly."

5

Bohébon restaurants opened in 2022 at Carmila shopping centres

Next Tower, connectivity for all

In a world where digital technology increasingly permeates every aspect of our lives, Carmila's tower company Next Tower brings a practical solution to bridge the digital divide and meet connectivity needs within the regions. This essential local service makes life easier for everyone who lives in the surrounding area.

To strengthen digital infrastructure and meet the need to provide universal coverage, prepare for the transition to 5G, and address the new ways in which mobile technology is used and data is shared on telecom networks, 50,000 new towers are planned in France by 2026. Next Tower works towards these ambitious goals and draws on its dual expertise in real estate and digital technology to serve users, mobile telephone operators and local regions. The idea is simple: make use of the extensive portfolios of Carmila and Carrefour to build towers on unused surfaces such as car parks and building roofs, close to where people live. Each tower can accommodate one or more antennas that can be used by different carriers.

Next Tower's business activity stepped up a gear in 2022. So far, 110 towers have been installed, and the company has generated €2.5 million in rent.

As a result, Next Tower is making progress towards its target of contributing €10 million to annual recurring earnings by 2026.

Building its own towers

Next Tower also became a tower developer in 2022. It now builds towers, which it owns, and it leases the use of the antennas. By the end of Carmila's 2022-2026 Building Sustainable Growth strategic plan, the goal is to have 400 towers in place.

An initial foothold in Spain

Attesting to its vitality, Next Tower began developing its activity in Spain in 2022 and already operates about 20 towers. At the same time, Next Tower is continuing to examine investment opportunities in other forms of digital infrastructure.

NEXT TOWER
CONNECTER LES TERRITOIRES

Big connections with 5G

More bandwidth, more speed, and more simultaneous connections. 5G is revolutionising the use of digital services, with growth driven by the installation of new towers. Using 5G, a very high-definition film can be downloaded in a matter of seconds. The roll-out of 5G technology is expected to take the Internet of Things (IoT) to the next level in order to deal with a rapidly expanding range of needs: home automation systems, autonomous cars, smart cities, telemedicine, connected factories, remote collaborative working.

400

towers accommodating 500 to 600 antennas installed by 2026

As the first stage of its new strategic plan up to 2026, 2022 set Carmila firmly on the path to sustainable growth. The initial targets have been met, providing a sustainable response to structural changes in retail, new customer behaviours and environmental transformations, and turning Carmila shopping centres into hubs of community life and vibrant retail venues.

Outlook and Governance

“Carmila is ahead of schedule for the first key steps in its strategic plan. ”

Testimonial from

Pierre-Yves Thirion,
Chief Financial Officer

In what areas did Carmila perform best in 2022?

Pierre-Yves Thirion — After a record year in 2021, the dynamics of 2022 were very good, with activity comparable that of 2019, the pre-pandemic baseline. With 854 leases signed, i.e., almost 12% of the rental base, leasing was brisk and terms were good. At 96.5%, the financial occupancy rate has never been so high. These operating results showed through in the performances of our retailers, who generated more sales than in 2019, and in the value of our assets, which rose 1% on a like-for-like basis. The rent collection rate also returned to normal levels.

Where do things stand, one year on since the launch of the Building Sustainable Growth strategic plan?

Pierre-Yves Thirion — We met our initial objectives, sometimes faster than expected. We gave ourselves two years to stabilise recurring earnings but achieved it in one year. We are ahead of schedule on our asset rotation strategy, having met our targets for end-2023 as early as February 2023. In 2023, we will be able to offer our shareholders a dividend of €1.17 for 2022, exceeding our commitment of €1 per share. We have significantly reduced our loan-to-value (LTV) ratio. Lastly, the initiatives we have taken to strengthen our growth – as an incubator and omnichannel service platform, and through our new business lines, Carmila Retail Development and Next Tower – are beginning to make a noticeable contribution to Carmila’s results.

What do these results say about Carmila?

Pierre-Yves Thirion — They say a lot. First, they demonstrate the quality of our asset portfolio and explain investors’ interest for asset categories such as ours. Our centres are leaders in their regions and are adapted to new customer behaviours. The results also vindicate our asset transformation strategy and our agility in updating our offering, with more healthcare services, food services and purchasing power initiatives. We have made significant progress in repositioning our merchandise mix. Lastly, these results attest to our sound financial structure, which was further strengthened in 2022 as we improved our debt profile, including the favourable terms of a new bank loan as part of our refinancing programme.

What can we expect for 2023 and beyond?

Pierre-Yves Thirion — We’re on the right path thanks to the strong operational performance in 2022. Our strategy is clear and the initial results are positive. As a result of our strategic plan, Carmila is better positioned than in 2019. Our balance sheet is healthy, our carbon trajectory is on track, and our projects are taking shape. These achievements allow us to look confidently to the future, to continue delivering strong financial performances for our shareholders and to remain poised to seize fresh opportunities.

AN EXPERIENCED BOARD OF DIRECTORS

Diversity and complementary skills are the qualities that characterise Carmila's Board of Directors. In 2022, the Board of Directors oversaw the implementation of a new strategic plan for 2022-2026, which sets out Carmila's goal of building sustainable growth and breaking new ground.

At end-2022, Carmila's Board of Directors had 13 members. Independent Directors, including the Lead Independent Director, make up the majority, with eight of the seats. The Board also comprises four Directors representing the main shareholder, Carrefour. Six of the 13 Directors are women, or 46.15% of members. Women chair three of the four specialised committees. The Board of Directors encompasses people with varied profiles and complementary skills, who have proven expertise in property, finance, CSR, digital and executive management. In 2022, the Board's work focused in particular on implementing and monitoring progress on the strategic and financial plan through to 2026.

13

DIRECTORS including
1 Lead Independent Director

- ● Audit Committee
- ● Nomination and Compensation Committee
- ● Strategy and Investment Committee
- ● CSR Committee

● ● **MARIE CHEVAL**
Chair and Chief Executive Officer of Carmila

OLIVIER LECOMTE
Lead Independent Director
● ●

SOGECAP Represented by **YANN BRIAN**
Independent Director
●

PREDICA Represented by **EMMANUEL CHABAS**
Independent Director
●

SÉVERINE FARJON
Independent Director
● ●

MARIA GARRIDO
Independent Director
● ●

LAURENT LUCCIONI
Independent Director
●

JÉRÔME NANTY
● ●

ÉLODIE PERTHUISOT

CLAIRE NOËL DU PAYRAT
●

NADRA MOUSSALEM
Independent Director
●

CARDIF ASSURANCE VIE Represented by **NATHALIE ROBIN**
Independent Director
● ●

LAURENT VALLÉE
● ● ●

46.15%
women

8/13
Independent Directors

89.4%
overall attendance rate[1]

3/4
committees chaired by women

A Board whose work is guided by four specialised Committees

Audit Committee

The Audit Committee's role is to supervise matters relating to the preparation and control of accounting and financial information and to monitor the effectiveness of the operational risk management and internal control system.

6 meetings in 2022
4 members

CHAIRED BY
Olivier Lecomte

Strategy and Investment Committee

The Strategy and Investment Committee is tasked with reviewing Carmila's investment strategy and that of its subsidiaries, as well as any decisions relating to investment or divestment projects.

4 meetings in 2022
6 members

CHAIRED BY
Nathalie Robin

Nomination and Compensation Committee

The Nomination and Compensation Committee assists the Board of Directors with the determination and regular assessment of all compensation and benefits allocated to Carmila's corporate officers and senior executives, and with the membership of its executive bodies.

2 meetings in 2022
5 members

CHAIRED BY
Séverine Farjon

CSR Committee

Created in 2020, the CSR Committee is responsible for discussing, defining and assessing Carmila's general policies in the area of corporate social responsibility.

2 meetings in 2022
5 members

CHAIRED BY
Séverine Farjon

Varied and complementary skills

The Board of Directors has a broad array of skills at its disposal, thanks to experienced members with proven expertise.

Property
Finance
International
Digital
CSR
Executive management

(1) Average attendance at Board of Directors' and Committee meetings

A FULLY-ENGAGED EXECUTIVE COMMITTEE

"For Carmila, 2022 was emblematic as the first year of our strategic plan, Building Sustainable Growth. And the good news is that we're ahead of the initial targets we set ourselves."

Marie Cheval, Chair and Chief Executive Officer

"Our centres are at the heart of the key challenges facing our regions: healthcare, jobs, community, purchasing power, etc. And in 2022, we met the financial commitments we made at the end of 2021. In this year full of unexpected challenges, our business model has demonstrated its worth."

Sébastien Vanhoove, Deputy Chief Executive Officer

In 2022, we ran communication campaigns reminding people that shopping centres are a vital part of community life – as meeting points, local employers, the modern version of the village square, a place of shared experience that is constantly reinventing itself."

Élodie Arcayna,
Corporate Communications Director

There's a great dynamism about Carmila's businesses in Spain and Italy. We've transformed a host of assets, strengthened our relationships with the retailers and deepened our synergies with Carrefour, as well as launching Next Tower in Spain."

Sebastian Palacios,
Managing Director Spain and Italy

At Carmila, we are committed to supporting retailers at all stages of development to enhance their attractiveness and performance. Our teams in the regions have very detailed knowledge of customer needs and are therefore able to offer retailers formats that suit their needs."

Eric Robert,
France Leasing Director

In 2022, we stepped up oversight of the transformational impact of our omnichannel strategy so as to better support retailers' business development. We are continuing to prioritise optimising and qualifying flows, as well as generating commercial leads that drive engagement for shopping centres and boost sales for retailers."

Sandrine Mercier,
Marketing, Network, Digital & Innovation Director

In 2022, we achieved the initial targets in our strategic plan, well ahead of schedule. This shows the quality of our model, vindicates our strategy and explains investors' interest for asset categories such as our centres, that are firmly embedded in the local regions and adapted to new customer behaviours."

Pierre-Yves Thirion,
Chief Financial Officer

In 2022, we continued to transform our assets to better align them with customer expectations. We also developed partnerships with new business start-ups through Carmila Retail Development, which have enabled us to offer customers a unique range of stores and services."

Frédéric Desprès,
Chief Operating Officer and Director of Carmila Retail Development

In 2022, we pressed ahead with transforming our assets – restructurings, renovations, developing new food parks – thereby enhancing their value. On the back of these projects, we have welcomed new retailers, which in turn helped us meet the expectations of customers and, more broadly, the regions."

Marine Hurpin,
Chief Operating Officer, France

Employee engagement is a key factor in our performance. This engagement is built and strengthened throughout their career at Carmila. Through its HR programme Act Together, Carmila works every day to improve quality of life at work and create the conditions that promote individual advancement and bring people together to grow our business.

Maximising our human capital

“At Carmila, people skills are just as important as expertise.”

Testimonial from

Marie Muchir,
Human Resources Director

What characterises Carmila and its employees?

Marie Muchir — Carmila is all about close relationships. As our purpose statement reminds us, these relationships are at the heart of everything we do. What applies for our customers, retailers and regions also applies for our employees. We take every possible step to make sure they feel welcome, which is what drives engagement and loyalty. Carmila staff are also characterised by a mindset that can be summed up in a few words: agility, autonomy, vitality, kindness. At Carmila, employees are always on the move, and soft skills are as important as hard skills. That is why we look to hire open-minded, inventive people, sometimes with an atypical professional background, that have a lot to offer for Carmila.

How does the human resources policy serve Carmila’s strategy?

Marie Muchir — It permeates everything. For example, our training plan sustains our three strategic pillars, underpins the development of new business lines, broadens our digital expertise and helps foster creativity. Imbuing our people with strong awareness of CSR matters gives them the opportunity to make a real difference, for example through our partnership with Chemins d’avenirs or via our network of CSR ambassadors. We constantly encourage staff to take initiatives. Contributing to strategy also means knowing how to listen, strengthening the pride of belonging and engagement, including for our many employees on work-study programmes, and creating the conditions that improve gender equality. ●

A GROUP DYNAMIC

Drawing on the expertise, agility, strength, engagement and interconnectedness of its teams, Carmila again used its human resources policy in 2022 to support employees and serve its growth strategy. Here is an overview explained through six key prisms.

DIVERSITY

Further improving gender equality

Carmila takes a proactive policy to diversity and fighting all forms of discrimination. In 2022, this policy materialised in a training course rolled out for senior executives and managers on the unconscious biases that can influence recruitment and career development proposals. Carmila is keenly committed to improving gender equality in the workplace. One example from 2022 is the Boost'her programme, through which the pay of 13 women employees was raised when an unjustified gap was identified compared with male colleagues. Supported at the highest level of the organisation, this policy has also culminated in recent years in the promotion of many women to management positions and women members brought in to balance out gender representation on the Executive Committee. Taking further steps, Carmila now includes Spain and Italy in the calculation of its workplace equality index, going beyond the requirements of French legislation. In 2022, this index stood at 95/100.

The partnership with Chemins d'avenirs was signed in January 2022.

COMMUNITY OUTREACH

Helping young people find their way

In France, 60% of young people live outside major urban centres, maintaining inequalities of opportunity due to lack of information and options. In line with its diversity and inclusion policy, Carmila works with the non-profit Chemins d'avenirs. The aim of this partnership is straightforward: uncover the talents of secondary school pupils and university students, by guiding them in their academic and career paths and by presenting to them the range of opportunities offered by Carmila shopping centres, which are often located in medium-sized urban areas. Under the programme, in 2022, Carmila employees offered guidance and practical support for almost a dozen young people. Carmila also provided the organisation with financial support to help it set up in a new academy. For this partnership, Carmila received the SIMI Mécénat & Solidarités dans la ville award in the Youth and Education category in 2022.

CREATIVITY

Bringing good ideas to life

Carmila likes to innovate and strongly encourages employees to take part in the creative process. The Mydea digital platform is a great way to get people involved. In 2021, it won the participatory innovation trophy in the transformation category awarded by the non-profit Innov'Acteurs. Each year, the most useful initiatives for retailers, customers and regions are selected and tested. In 2022, 71 applications were submitted in a call for projects launched in France, Spain and Italy, after which 14 employees presented their project to a jury. Four of these ideas were selected and presented with awards.

COMMITMENT

Pride in being a Carmila employee

With a comprehensive induction programme and briefings organised for new hires with the Chair and Chief Executive Officer, Carmila takes steps to help each individual feel supported and comfortable from the moment they join the company and throughout their experience with us. For example, Carmila offers employees preparing to return to work after maternity leave or long-term illness personal coaching through the start-up *Ça ira encore mieux demain*. Carmila also builds engagement by providing services that make life easier for its employees. After the agreement signed in 2021 with People & Baby to secure childcare places for Carmila employees throughout France, a partnership was set up in 2022 with GymLib to provide employees with the opportunity to do one class per week, in the sport of their choice, at more than 300 gyms in the country. With over 100 enrolments, the initiative was a huge success. Carmila was also involved in a step count challenge in 2022, as a fun way of getting people on the move and building team cohesion.

100%
of employees were offered training

91%
of employees were satisfied with the company and 90% with their job

23
hours of training on average per employee

37
work-study participants, i.e., 13.5% of employees

YOUNG PEOPLE

Focusing on work-study

Every year, several dozen students on work-study programmes are taken on by Carmila. In 2022, a dedicated integration day was organised at the Carrefour shopping centre in Chambourcy. At the event, the Carmila Work-Study Community was launched to facilitate communication and onboarding with the teams. Supported and trained in their chosen career path, some work-study participants are rewarded with permanent or non-permanent contracts when positions become available. In 2022, for example, one former work-study participant rose up the ranks to become manager of the Aix La Pioline and Orange le Coudoulet shopping centres at the tender age of 24!

Integration day for new work-study participants at Chambourcy.

TRAINING

Supporting change

Whether it is to gain business expertise or enhance personal development, training is essential at Carmila to help employees learn, grow and change jobs. In 2022, in addition to new training on more cross-functional working methods, Carmila supported the change to a new organisational structure, in particular with the creation of the BtoB marketing division. Shopping centre managers were trained in their new tasks, which were organised around three priorities: people flow management, customer satisfaction and retailer sales.

To our **650** million
visitors in France,
Spain and Italy,

To the **6,100** retailers,
franchisees and independent players,

To the more than **60,000** retail employees
who work every day
at our centres,

To our local partners
in more than **200** regions,

To our institutional partners, investors,
shareholders,

To our own **273** employees,

thank you

to all our stakeholders for their energy and support in joining us to serve retailers, customers and visitors in the heart of each community.

2. Business review and assets

2.1 2022 business review

2.1.1 Footfall and retailer sales

Change in footfall and retailer sales in 2022 versus 2021

FRANCE	First quarter	Second quarter	Third quarter	Fourth quarter	Full-year 2022
Footfall as a % of 2021	120%	119%	107%	99%	110%
Retailer sales as a % of 2021	165%	154%	105%	105%	124%
SPAIN	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2022**
Footfall as a % of 2021	114%	109%	109%	104%	109%
Retailer sales as a % of 2021	143%	121%	108%	107%	113%
ITALY	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2022**
Footfall as a % of 2021	117%	112%	110%	103%	111%
Retailer sales as a % of 2021	135%	118%	105%	103%	114%
TOTAL	**FIRST QUARTER**	**SECOND QUARTER**	**THIRD QUARTER**	**FOURTH QUARTER**	**FULL-YEAR 2022**
Footfall as a % of 2021	118%	116%	107%	100%	110%
Retailer sales as a % of 2021	158%	144%	105%	106%	121%

Change in footfall and retailer sales in 2022 versus 2019

FRANCE	First quarter	Second quarter	Third quarter	Fourth quarter	Full-year 2022
Footfall as a % of 2019	92%	93%	95%	91%	93%
Retailer sales as a % of 2019	94%	104%	104%	104%	102%
SPAIN	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2022**
Footfall as a % of 2019	83%	88%	89%	86%	87%
Retailer sales as a % of 2019	95%	103%	101%	103%	102%
ITALY	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Full-year 2022**
Footfall as a % of 2019	83%	87%	91%	90%	88%
Retailer sales as a % of 2019	96%	104%	106%	103%	101%
TOTAL	**FIRST QUARTER**	**SECOND QUARTER**	**THIRD QUARTER**	**FOURTH QUARTER**	**FULL-YEAR 2022**
Footfall as a % of 2019	90%	92%	93%	90%	91%
Retailer sales as a % of 2019	95%	104%	103%	104%	102%

2022 saw a steep 121% year-on-year rise in sales of retailers in Carmila shopping centres, as government-imposed closures due to the pandemic affected sales in the prior-year period. Retailer sales are also up compared to 2019, the pre-Covid baseline year, at 102% of the 2019 level. The growth in retailer sales was partly attributable to rising consumer prices and was achieved despite footfall over the period averaging 91% of its 2019 level, reflecting a shift among end customers towards a larger average spend per visit. Footfall was up at 110% of the 2021 level. Underpinned by the draw of Carrefour hypermarkets in particular, Carmila centres continued to outperform the sector in terms of footfall (4 percentage points higher in France and 1 percentage point higher in Spain)[1].

(1) *Footfall versus 2019 compared to market peers, Quantaflow in France, Shopper Trak in Spain.*

2.1.2 Leasing activity

2.1.2.1 Summary

Carmila's leasing activity was very dynamic in 2022, with 854 new leases signed over the year, in line with 2019 levels (down 3.5%) and less than in record-beating 2021 (down 24.1%), for a total minimum guaranteed rent (MGR) of €42.3 million, or 11.7% of the rental base. Rent levels in the leases signed were 6.5% higher than that of the previous leases.

	31 Dec. 2022					
	Leased vacant premises			Renewals		
(in thousands of euros)	Number of leases	Annual MGR	MGR versus appraisal rental values	Number of leases	Annual MGR	Reversion
France	235	13,975	7.9%	151	9,283	0.1%
Spain	135	4,901	3.6%	283	10,999	3.4%
Italy	25	1,679	3.6%	25	1455	2.9%
TOTAL	**395**	**20,555**	**6.5%**	**459**	**21,737**	**2.0%**

	31 Dec. 2022		31 Dec. 2021		31 Dec. 2020	
		Total		Total		Total
(in thousands of euros)	Number of leases	Annual MGR	Number of leases	Annual MGR	Number of leases	Annual MGR
France	386	23,258	646	36,264	397	25,072
Spain	418	15,900	441	15,612	250	9,085
Italy	50	3,134	57	3,919	37	1,991
TOTAL	**854**	**42,292**	**1,144**	**55,795**	**684**	**36,148**

Carmila's strategy includes refreshing the merchandise mix of its centres, focusing particularly on healthcare, and diversifying its rental base by letting its premises to retail brands from a variety of sectors, thereby gradually reducing its exposure to Clothing & Accessories.

There was continued good momentum in leasing activity during the year, with new concepts and digital native vertical brands (DNVBs), along with some sector leaders.

In France, leases were signed with tenants from a wide range of retail segments:

- Healthcare: We Audition, Vertuo, Krys, Alain Afflelou, Optic 2000, and new and enlarged pharmacies;
- Food service: KFC, Crêpe Touch, Subway, Buffalo Grill, Factory & Co;
- Clothing: JD Sports, Sports Direct, JOTT, Project X Paris, Jennyfer;
- Value retailers: Action, Normal;
- Services, beauty and leisure: Fitness Park, Body Minute, Qipao Beauty, Beauty Success, Esthetic Centre;
- Household furnishings and gifts: Le Repaire des Sorciers, Le Comptoir de Mathilde, Palais des Thés.

In Spain:

- National brands: Druni, Dormitorium and Área Fitness;
- International leaders: Yelmo, McDonald's, Burger King and Kiabi Kids (first opening in Spain);
- International brands seeking to secure a foothold in Spain: Fitness Park, Carl's Junior, JD Sports.

2.1.2.2 Temporary retail activity

The service platform includes Carmila's temporary retail activity offering, focused on providing space in Carmila centres for short to medium-term periods. Designed to be complementary with traditional stores, temporary retail gives visitors the opportunity to discover an increasingly innovative offering. Temporary retail is focused on two areas:

- Specialty Leasing;
- Pop-up Stores.

	2022			2021			Change
(in thousands of euros)	Specialty Leasing	Pop-up Stores	Total SL+PS	Specialty Leasing	Pop-up Stores	Total SL+PS	%
France	5,860	2,069	7,929	5,105	2,082	7,187	+10.3%
Spain	4,953	346	5,299	4,863	288	5,151	+2.9%
Italy	1,267	164	1,431	1,173	86	1,259	+13.7%
TOTAL	**12,080**	**2,579**	**14,659**	**11,141**	**2,456**	**13,597**	**+7.8%**

Specialty Leasing

Specialty Leasing helps re-energise shopping centres by enriching the customer experience. This activity covers both the leasing of space in the shopping centres and car parks, and entering into digital advertising partnership agreements.

The year under review saw strong momentum in Specialty Leasing, thanks to the large number of events based on home improvments and energy efficiency.

Specialty Leasing revenue came in 8.4% higher year on year.

Pop-up Stores

Carmila offers retailer tenants the opportunity to open pop-up stores for periods ranging from 4 to 34 months. The pop-up store concept is burgeoning, and helps re-energise Carmila centres, particularly suited to new and innovative concepts, such as the first physical DNVB stores. Carmila can also accommodate flash pop-up formats such as one-day to one-week sales events.

Leasing activity for Pop-up Stores was particularly buoyant in 2022, generating more revenue than in both 2021 (5.0% higher) and 2019 (38.4% higher), owing to numerous flash Pop-Up events during the year.

2.1.2.3 Structure of leases

With 6,188 leases under management at 31 December 2022, Carmila has a solid and diversified base of tenants, with rents from the Carrefour group representing less than 1.0% of net rental income in 2022.

Breakdown of number of leases and contractual rents on an annualised basis by country

	At 31 December 2022			At 31 December 2021		
Country	**Number of leases**	**Annualised contractual rent** *(in millions of euros)*	**% of total**	**Number of leases**	**Annualised contractual rent** *(in millions of euros)*	**% of total**
France	3,519	244.7	66.4%	3,580	243.0	67.8%
Spain	2,302	100.7	27.3%	2,410	94.0	26.2%
Italy	367	23.1	6.3%	356	21.3	5.9%
TOTAL	**6,188**	**368.5**	**100%**	**6,346**	**358.4**	**100%**

Principal tenant retailers

At 31 December 2022, the 15 leading tenants accounted for 17.8% of annualised rents, with no individual retailer accounting for 2.0% or more of gross rental income.

The table below shows the annualised rents and business segment of the 15 largest tenants at 31 December 2022.

		At 31 December 2022	
Tenant	**Business segment**	**Annualised contractual rent** *(in millions of euros)*	**% of total**
Alain Afflelou	Health & Beauty	6.2	1.7%
Feu Vert	Services	6.2	1.7%
Inditex	Clothing & Accessories	6.0	1.6%
Orange	Culture, Gifts & Leisure	5.5	1.5%
McDonald's	Food & Restaurants	4.9	1.3%
Jules Brice Bizzbee	Clothing & Accessories	4.8	1.3%
H&M	Clothing & Accessories	4.5	1.2%
Nocibé	Health & Beauty	4.1	1.1%
Micromania	Culture, Gifts & Leisure	3.7	1.0%
Kiabi	Clothing & Accessories	3.7	1.0%
Burger King	Food & Restaurants	3.4	0.9%
Yves Rocher	Health & Beauty	3.4	0.9%
Flunch	Food & Restaurants	3.2	0.9%
Mango	Clothing & Accessories	3.2	0.9%
Histoire d'Or	Culture, Gifts & Leisure	2.9	0.8%
		65.7	**17.8%**

Breakdown of contractual rent by business segment on an annualised basis

The table below shows Carmila's annualised rents by business segment at 31 December 2022:

	At 31 December 2022			At 31 December 2021		
Business segment	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total	Number of leases	Annualised contractual rent *(in millions of euros)*	% of total
Clothing & Accessories	1,322	112.6	30.6%	1,394	113.9	31.8%
Culture, Gifts & Leisure	1,066	73.7	20.0%	1,045	69.4	19.4%
Health & Beauty	1,245	71.5	19.4%	1,224	67.9	18.9%
Food & Restaurants	887	48.6	13.2%	895	46.7	13.0%
Household Furnishings	286	30.8	8.4%	301	31.1	8.7%
Services	1,274	30.3	8.2%	1,374	28.5	8.0%
Other	108	0.8	0.2%	113	1.0	0.3%
TOTAL	**6,188**	**368.5**	**100%**	**6,346**	**358.4**	**100%**

The decrease in Clothing & Accessories and Household Furnishings rents as a proportion of total rents (decreases of 121 and 31 basis points, respectively) mainly benefited the Culture, Gifts & Leisure (up 65 basis points), Health & Beauty (up 46 basis points) and Services (up 28 basis points) segments. The proportions of the rental base represented by the other segments remained stable in terms of rent.

Lease expiry dates

At 31 December 2022, the average lease term was 4.4 years, breaking down as 5.0 years in France, 3.9 years in Spain and 2.5 years in Italy.

The table below shows the expiry dates for commercial leases relating to the property portfolio for the 2022-2032 period (data at 31 December 2022):

	At 31 December 2022		
Lease expiry dates	Number of leases	Lease maturity*	Annualised contractual rent *(in millions of euros)*
Expired 31 December 2022	676	0.0	35.3
2023	721	0.5	24.6
2024	542	1.6	31.1
2025	456	2.6	21.6
2026	640	3.7	33.4
2027	657	4.6	44.4
2028	474	5.5	33.3
2029	388	6.6	27.9
2030	562	7.7	37.9
2031	499	8.5	31.9
2032	319	9.5	21.7
Beyond 2032	254	11.7	25.5
TOTAL	**6,188**	**4.4**	**368.5**

* *Average remaining lease maturity in years.*

Basis for setting rents

Most of Carmila's leases have a dual-component structure consisting of a fixed portion, the minimum guaranteed rent (MGR), and an additional variable rent, calculated as a percentage of the tenant's annual sales excluding taxes.

At 31 December 2022 in its three countries, Carmila had 5,594 leases with double-component rents and 594 leases with fixed rent only, representing 90.3% and 9.7% of annualised rents, respectively.

The table below shows the breakdown of rents between minimum guaranteed rent and variable rent at 31 December 2022:

	At 31 December 2022			
	Number of leases	MGR	Variable rents	Total
Leases with variable rent clauses	5,594	327.9	4.7	332.6
Of which leases with minimum guaranteed rent and additional variable rent	5,576	327.9	2.3	330.2
Of which leases with variable rent only	18	0.0	2.4	2.4
Fixed-rent only leases	594	35.9	0.0	35.9
TOTAL	**6,188**	**363.8**	**4.7**	**368.5**

2.1.2.4 Financial occupancy rate

Country	Financial occupancy (excluding strategic vacancies)		
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020
France	96.6%	96.4%	95.8%
Spain	95.7%	95.5%	95.0%
Italy	98.6%	98.7%	96.9%
TOTAL	**96.5%**	**96.3%**	**95.7%**

At 31 December 2022, the consolidated financial occupancy rate of Carmila's assets was 96.5%, higher than in 2019 (96.3%), including 96.6% in France (95.9% in 2019), 95.7% in Spain (96.4% in 2019) and 98.6% in Italy (98.8% in 2019).

The financial occupancy rate is defined as the ratio between the amount of rent invoiced and the amount of rent that Carmila would collect if its entire portfolio were leased, with the estimated rent for vacant lots being determined on the basis of rental values used by appraisers. The financial occupancy rate is stated excluding strategic vacancies, which are the vacancies made necessary in order to carry out renovation, expansion, or restructuring projects within the shopping centres.

The impact of strategic vacancies is 0.7% in France, 3.5% in Spain and 0.1% in Italy, which represents a consolidated impact for Carmila of 1.5% at 31 December 2022.

2.1.2.5 Retailer occupancy cost ratio

The occupancy cost ratio of Carmila's tenants broken down by country at 31 December 2022 and 31 December 2019 (pre-health crisis) is as follows:

Country	Occupancy cost ratio	
	31 Dec. 2022	31 Dec. 2019
France	10.3%	10.9%
Spain	10.8%	11.1%
Italy	11.6%	12.0%
TOTAL	**10.5%**	**11.0%**

The occupancy cost ratio of Carmila's tenants broken down by country at 31 December 2022 is as follows: France 10.3%, Spain 10.8% and Italy 11.6%.

The decline in the ratio is attributable to changes in the merchandise mix and in particular, to reduced exposure to the Ready-to-Wear sector.

Occupancy cost ratio is an important indicator for Carmila in determining the proper level of rent for each tenant as a function of its business and in evaluating the financial health of a tenant over the term of its lease.

The occupancy cost ratio is defined as the ratio between (i) rent and rental charges (excluding VAT) and (ii) retailer sales.

The rental charges used to calculate occupancy cost ratios are made-up of fixed rent, variable rent and rental charges and property taxes that are passed on to tenants. Rental charges do not include (i) incentives or (ii) marketing fund costs passed on to tenants.

2.1.3 Implementation of the 2022-2026 strategic plan, "Building Sustainable Growth"

2.1.3.1 A new strategic plan focused on growth and sustainability

In December 2021, Carmila launched its new strategic and financial plan for 2022-2026. This plan reflects Carmila's new ambition to build sustainable growth and invest in new business lines, and is based on three pillars:

- a new role for Carmila as an incubator and omnichannel platform;
- leadership in sustainability, notably through a new generation of development projects based on mixed-use and a commitment to reach "net zero" by 2030;
- investment in new business lines: digital infrastructure and new retail concepts.

When unveiling the strategic plan, Carmila set itself several medium-term financial objectives.

One of the main objectives focused on recurring earnings per share, which was expected to increase by 10% in both 2022 and 2023.

In 2022, Carmila achieved this objective ahead of schedule and even exceeded its recurring earnings growth target for 2023, with recurring earnings per share up by 26% compared to 2021.

This sharp rise in recurring earnings per share reflects the sooner-than-anticipated resumption of normal operating performance, coupled with organic growth in the rental base, including a significant indexation effect.

2.1.3.2 Successful first phase of the asset rotation strategy

The strategic plan also included a new asset rotation programme, targeting €200 million in disposals by the end of 2023.

As a reminder:

On 30 June 2022, Carmila completed the sale of a portfolio of six assets located in France to a joint venture set up with Batipart and Atland Voisin. The agreed sale price of the portfolio is €150 million (including transfer taxes), in line with appraisal values at end-2021. Carmila retained a 20% minority stake in the joint venture, which was accounted for using the equity method in the consolidated financial statements at 31 December 2022.

On 7 February 2023, Carmila announced the signing of an agreement for the sale of a portfolio of four assets located in Andalusia, in southern Spain. The sale price of the portfolio is €75 million, including transfer taxes, in line with end-June and end-December 2022 appraisal values.

On 7 February 2023, Carmila also announced the signature of an agreement for the sale of an asset in Montélimar, France. The agreed sale price of the asset is €15 million, including transfer taxes, also in line with the appraisal value at end-June and end-December 2022.

Once the asset disposals in Spain and Montélimar have been finalised, Carmila will have completed the disposal of 11 assets for a total of €240 million, thereby exceeding by €40 million its €200 million disposal target for the first two years of its new "Building Sustainable Growth" strategic plan.

The sale of a portfolio of six assets in France in the first half of the year helped finance a share buyback of €30 million and the acquisition of a shopping centre in Malaga, Spain for €24.3 million.

2.1.3.3 On track to meet the objectives of Carmila's three growth initiatives

The three growth initiatives of the "Building Sustainable Growth" strategic plan – the omnichannel incubator, Next Tower and Carmila Retail Development – are expected to contribute an additional €30 million per year to recurring earnings by 2026.

- In 2022, the incubator and omnichannel services platform for retailers contributed €1.4 million to recurring earnings. Carmila is stepping up the development of its service platform for retailers, which spans development of the franchise, management of the online presence, pop-up and flash pop-up sales, DNVB incubators, targeted marketing and in-centre connectivity.
- Locked-in rental income from leases signed by Next Tower amounted to around €1.5 million in 2022. Next Tower currently operates 110 antennas in France and Spain.
- Carmila's share of the EBITDA of Carmila Retail Development's equity-accounted partner companies in 2022 is €1.1 million, lifted by good growth momentum for the Cigusto chain. At the end of 2022, Carmila Retail Development has 15 partners and 125 stores in Carmila centres.

2.1.3.4 Commitment on the climate ("net zero" Scopes 1 & 2 emissions by 2030) and ongoing BREEAM certification for the entire portfolio

Carmila is targeting "net zero" Scopes 1 & 2 carbon emissions by 2030, by which time it will have cut emissions by 90% versus 2019 through reducing energy consumption and transitioning to renewable energy for its centres. The remaining 10% of emissions will be offset, in keeping with the recommendations of the Science Based Targets initiative (SBTi), through the financing of the environmental transition of local farms within the scope of a partnership with TerraTerre launched in 2022. Carmila will also continue to reduce its Scope 3 emissions, with the aim of becoming fully carbon neutral by 2040.

At the end of 2022, Carmila's Scopes 1 & 2 greenhouse gas emissions were 14% lower than in 2019, due notably to a 16% reduction in energy consumption compared to 2019.

Furthermore, as announced in September and in line with the goals published by the French government, in 2022 Carmila rolled out a number of additional energy efficiency measures to reduce its energy consumption by 20% in winter 2022-23 compared to winter 2019-2020.

2.1.3.5 A sustainability reporting leader

Carmila aims to have 100% of its assets BREEAM-certified by 2025. In 2022, Carmila's BREEAM In-Use certification rate stood at 97% of the portfolio in terms of value, with 33% of sites rated Very Good BREEAM V6.

On 18 October 2022, Carmila also published its Green Bond Framework, which sets out the rules governing Green Bond issuance. It forms part of Carmila's sustainable development ambition as part of its "Building Sustainable Growth" strategic plan, and more specifically makes reference to Carmila's commitments regarding the environmental certification of assets and energy transition (https://www.carmila.com/finance/green-bond/).

In 2022, Carmila was recognised for its leadership in transparency and climate change performance by the international environmental NGO, Carbon Disclosure Project (CDP), which gave it the highest rating in its annual A-list.

Carmila was also ranked number one among listed commercial real estate peers in the Development category of the GRESB 2022 benchmark, with a score of 95/100, and picked up its third EPRA sBPR Gold award, highlighting the Company's alignment with the highest standards in non–financial reporting. Carmila also received an EPRA BPR Gold award for the quality of its financial disclosures.

2.1.4 Outlook

2.1.4.1 Recurring earnings per share expected in 2023: €1.57

Recurring earnings per share for Carmila in 2023 are expected to be €1.57. This earnings expectation corresponds to 8% organic growth (at constant scope and vs. 2022 recurring earnings per share adjusted for the exceptional income resulting from rent recovered from prior periods).

2.1.4.2 New €20 million share buyback programme to be launched

A €20 million share buyback programme will be launched presently, in order to take advantage of the current discount to net asset value.

2.1.4.3 Reduction of the capital expenditure budget for major projects

None of the five major extension projects (Montesson, Orléans Place d'Arc, Antibes, Toulouse Labège and Tarrassa) is currently under construction. These projects have been reviewed, resulting in a significant reduction in the estimated capital outlay, which now represents €200 million versus the €550 million announced in December 2021.

Due to real estate trends over the past few years, future plans are likely to include less retail space and more space devoted to new uses – including housing. In their new configurations, these projects will have to generate sufficient profitability in line with Carmila's investment criteria. The first major capital outlay will not be until 2025.

Regarding urban mixed-use projects, Carmila is pushing ahead with Carrefour and Altarea Cogedim on the Nantes Beaujoire and Sartrouville projects, while other projects are being examined in conjunction with Carrefour.

2.1.4.4 Ongoing asset transformation strategy through small-scale restructuring projects

In addition to these five major projects, Carmila has a pipeline of smaller-scale restructuring and projects to create new restaurants and food courts. In 2022, 36 projects of this type were delivered, representing a total investment of €44 million for Carmila. The target for 2023 is to deliver 33 small-scale restructuring projects. Carmila's strategy of transforming and continually upgrading its assets will continue throughout the strategic plan to 2026.

Out of an overall annual budget of €50 million for both maintenance and restructuring projects, the target annual budget for these transformation projects is €40 million, up from the €25 million announced in December 2021.

2.1.4.5 New asset rotation target: €100 million by end-2024

In 2023 Carmila is launching the second phase of its asset rotation strategy, following the early success of the first phase, and is targeting a total of €100 million in disposals by the end of 2024. Part of the proceeds from these disposals will be reinvested in new assets and in restructuring projects. The remainder will be paid out to shareholders.

2.1.4.6 Updated capex forecasts for the coming years, including approximately €10 million per year set aside for energy transition investments

Carmila plans to invest approximately €10 million per year in respect of its greenhouse gas emissions reduction commitments. These investments will focus on three measures:

- Upgrading heating, ventilation and air conditioning systems by replacing old equipment.
- Fitting out all of Carmila's shopping centres with LED lighting by the end of 2023.
- Upgrading the building management system.

Regarding the capital expenditure for the three growth initiatives:

- The incubator and the omnichannel service platform will not require any new specific investments, as the running costs for these initiatives are already factored into Carmila's operating cost base.
- Next Tower will require an investment of approximately €13 million each year until 2026.
- Carmila Retail Development will not require any new investments in 2023 and can self-finance any new investments needed after this date.

2.1.5 Other significant events and other information

2.1.5.1 New term loan to refinance the September 2023 bond maturity

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027, with two extension options of one year each, and pays interest at 3-month Euribor plus 180 basis points.

Part of this new loan financed the redemption offer for Carmila bonds maturing on 18 September 2023. The total nominal amount tendered and approved for redemption was €200.9 million.

Carmila's cash position at end-December amounted to €357 million, which is sufficient to cover the redemption at maturity of all of the bonds outstanding under this issue, representing €322.1 million.

Talks are in progress with Carmila's partner banks regarding future financing transactions, with the next bond maturity after September 2023 falling in September 2024.

At end-2022, the average maturity of Carmila's debt was 4.4 years[1] (versus 4.3 years at end-2021).

2.1.5.2 Completion of two share buybacks for a total amount of €30 million in first-half 2022

During the first half of 2022, Carmila carried out two share buybacks. The first, for €20 million, was announced on 18 February, launched on 21 February and completed on 24 March 2022. The second, for €10 million, was launched on 25 March 2022 and completed on 28 April 2022.

2.1.5.3 Carmila joins the SBF 120 index

On 20 June 2022, Carmila joined the SBF 120 – the flagship Paris stock exchange index listing the top 120 Euronext Paris stocks in terms of liquidity and market capitalisation.

2.1.5.4 Carmila awarded a financial reporting transparency prize in the non-SBF 120 category

At the 2022 Transparency Awards, Carmila was recognised for the transparency of its financial communication with the award of the financial reporting transparency prize (Grand Prix de la Transparence) in the non-SBF 120 category.

(1) Excluding the September 2023 bond maturity, to be financed by the term loan signed in July 2022.

2.2 Assets and valuation

2.2.1 Key figures concerning the portfolio

2.2.1.1 Description of the portfolio

At 31 December 2022, Carmila had 208 shopping centres and retail parks adjoining Carrefour hypermarkets located in France, Spain and Italy, valued at more than €6.2 billion, including transfer taxes and work in progress, for a total leasable area of close to 1.6 million sq.m.

In France, Carmila is the owner of its assets which are either divided into units or held under co-ownership arrangements. In Spain, Carmila holds its assets through co-ownership arrangements. All of Carmila's assets in Italy are fully owned.

The real estate of Carrefour's hypermarkets and supermarkets, as well as the car parks adjoining the shopping centres held by Carmila, are owned by Carrefour group entities.

2.2.1.2 Presentation of Carmila's most important assets

Out of 208 commercial real estate assets making up Carmila's portfolio, 15 assets represent 40% of the appraisal value (including transfer taxes) and 27% of the gross leasable area at 31 December 2022. The following table provides information about these 15 properties:

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(in sq.m.)*
FRANCE					
BAB 2 – Anglet	1967	2014	2017	130	27,014
Toulouse Labège	1983	2014	-	127	24,095
Calais-Coquelles	1995	2014	2019	157	54,540
Thionville	1971	2016	-	160	32,055
Bay 2	2003	2014	-	105	20,819
Nice Lingostière	1978	2014	2021	98	21,477
Vitrolles	1971	2018	-	84	24,403
Montesson	1970	2014	-	66	13,262
Saran-Orléans	1971	2014	2017	91	38,731
Chambourcy	1973	2014	2015	74	21,305
Évreux	1974	2014	2017	79	37,811
Orléans Place D'Arc	1988	2014	2018	64	13,569
Perpignan Claira	1983	2014	2013	80	21,174
Total France (top 13)				**1,315**	**350,253**
SPAIN					
Fan Mallorca	2016	2016	2016	105	38,141
Huelva	2013	2014	2013	92	33,378
Total Spain (top 2)				**197**	**71,519**
TOTAL (TOP 15)				**1,512**	**421,772**
GROUP TOTAL				**6,901**	**1,588,417**

2.2.2 Asset valuation

2.2.2.1 Appraisals and methodology

The investment properties that comprise Carmila's assets are initially recognised and valued individually at their construction or acquisition cost including transfer taxes and expenses, and subsequently measured at their fair value. Any changes in fair value are recognised through the income statement.

The fair values used are determined based on the findings of independent appraisers. Carmila uses appraisers to value its entire portfolio at the end of every half-year. The assets are inspected by the appraisers annually. The appraisals comply with the guidance contained in the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors ("Red Book"). In order to conduct their work, the appraisers have access to all the information needed to value the assets, and specifically the rent roll, the vacancy rate, rental arrangements and the main performance indicators for tenants (retailer sales).

They independently determine their current and future cash flow estimates by applying risk factors either to the net rental income capitalisation rate or to future cash flows.

The appraisers appointed by Carmila are as follows:

- in France, Cushman & Wakefield and Catella;
- in Spain, Cushman & Wakefield and Catella;
- in Italy, BNP Paribas Real Estate.

Comments on the scope

- No sites in France were rotated between the appraisers Cushman & Wakefield and Catella in 2022, as there had been a change of appraiser at all sites in 2019-2020.
- The last third of the portfolio in Spain was rotated between the appraisers Cushman & Wakefield and Catella in first-half 2022.
- Carmila sold six shopping centres in France during the period: Mondevillage, Meylan, Mont Saint-Aignan, Nantes Saint-Herblain, Rambouillet and Saint-Jean de Vedas.
- A new shopping centre was acquired by Carmila in Malaga, Spain, which was measured at fair value in the financial statements.
- Properties held by equity-accounted companies are recognised at the fair value of the shares in these companies and also take into account advances and credit lines granted by the Group.

Geographical segmentation of the portfolio

The valuation of the portfolio (attributable to the Group) was €6,165.7 million including transfer taxes at 31 December 2022, and breaks down as follows:

Gross asset value (GAV) Including transfer taxes (ITT) of portfolio	31 Dec. 2022		
Country	(€m)	%	In number of assets
France	4,390.6	71.2%	121
Spain	1,429.9	23.2%	79
Italy	345.1	5.6%	8
TOTAL	**6,165.7**	**100%**	**208**

Apart from the fair values determined by the appraisers for each shopping centre, this assessment takes into account assets under construction that amounted to €28.5 million at 31 December 2022. Investments in equity-accounted assets (As Cancelas in Spain and the Magnirayas portfolio in France) are included on the basis of the fair value of the shares held by the Group in the companies holding the assets, and also take into account the advances and credit lines granted by the Group for a total amount of €78 million.

2.2.2.2 Change in asset valuations

GROSS ASSET VALUE OF PORTFOLIO, INCL. TRANSFER TAXES (ITT)

	31 Dec. 2022					31 Dec. 2021	
	Gross asset value ITT			Year-on-year change		Gross asset value	
(in millions of euros)	(€m)	%	In number of assets	Reported	Like-for-like*	(€m)	%
France	4,390.6	71.2%	121	-2.2%	+1.0%	4,487.7	72.2%
Spain	1,429.9	23.2%	79	+4.0%	+1.7%	1,374.5	22.1%
Italy	345.1	5.6%	8	-2.0%	-1.8%	352.1	5.7%
TOTAL	**6,165.7**	**100%**	**208**	**-0.8%**	**1.0%**	**6,214.4**	**100%**

* *Excluding disposal of the Magnirayas + portfolio and the Rosaleda acquisition.*

Year on year, the total value of Carmila's assets decreased by €48.7 million, or 0.8%, and can be analysed as follows:

- the value of the assets on a like-for-like basis increased by 1% (€60.3 million). The like-for-like change is calculated on a comparable shopping centre basis, excluding extensions over the period;
- other changes are due to:
  - changes in the scope of consolidation (disposal of a portfolio of six assets in France, acquisition of the Rosaleda site in Malaga, Spain), representing a €107.7 million negative impact, or a 1.7% reduction in asset value,
  - the €4.7 million decrease in work in progress, reducing asset value by 0.1%,
  - the increase in value of Next Tower (€3.5 million positive impact), which had a 0.1% positive impact on asset value.

Investments in equity-accounted assets are included on the basis of the fair value of the shares held by the Group in the companies holding the assets and also take into account advances and credit lines granted by the Group.

2.2.2.3 Change in capitalisation rates

	NIY		NPY	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
France	5.82%	5.64%	6.06%	5.95%
Spain	7.06%	6.67%	7.30%	6.93%
Italy	6.53%	6.04%	6.64%	6.18%
TOTAL	**6.14%**	**5.89%**	**6.37%**	**6.18%**

2.2.2.4 Breakdown of appraisal values by CNCC typology

In accordance with the typology drawn up by the French shopping centre trade body (*Conseil National des Centres Commerciaux* – CNCC), sites are grouped into three categories: regional shopping centres, large shopping centres and small shopping centres (called local shopping centres in this document).

At 31 December 2022, regional shopping centres and large shopping centres accounted for 78% of the market value of Carmila's portfolio.

	Appraisals at 31 December 2022			
	Gross asset value ITT *(€m)*	% of value	Average NRI *(€/sq.m.)*	NIY
Regional shopping centres	1,552.2	35%	329	5.4%
Large shopping centres	1,905.6	43%	292	5.8%
Local shopping centres	916.3	21%	181	6.5%
Other*	16.5	0%	487	7.0%
France	**4,390.6**	**100%**	**265**	**5.8%**
Regional shopping centres	356.6	25%	248	6.0%
Large shopping centres	683.0	48%	210	7.2%
Local shopping centres	390.3	27%	267	7.6%
Spain	**1,429.9**	**100%**	**232**	**7.1%**
Regional shopping centres	17.7	5%	249	6.1%
Large shopping centres	307.1	89%	237	6.5%
Local shopping centres	20.3	6%	264	6.7%
Italy	**345.1**	**100%**	**239**	**6.5%**
Regional shopping centres	1,926.5	31%	311	5.5%
Large shopping centres	2,895.8	47%	257	6.2%
Local shopping centres	1,326.9	22%	204	6.9%
Other*	16.5	0%	487	7.0%
GRAND TOTAL	**6,165.7**	**100%**	**254**	**6.1%**

* *Next Tower.*

2.2.2.5 Reconciliation of the valuation assessment with the value of investment properties on the statement of financial position

(in millions of euros)	31 Dec. 2022	31 Dec. 2021
Gross asset value ITT of portfolio	6,165.7	6,214.4
Work in progress	(28.5)	(33.2)
Valuation of the share of equity-accounted companies	(78.0)	(64.7)
Transfer taxes and registrations (excluding equity-accounted companies)	(306.0)	(302.7)
Gross asset value ETT (A)	**5,753.2**	**5,813.7**
Fair value of building leases (IFRS 16) (B)	31.7	32.6
INVESTMENT PROPERTY CARRIED AT APPRAISAL VALUE (STATEMENT OF FINANCIAL POSITION) (A+B)	**5,784.9**	**5,846.3**

2.2.3 Valuation report prepared by Carmila's independent appraisers

2.2.3.1 General context of the valuation

Context and terms of the engagement

In accordance with Carmila's instructions (the "Company") as detailed in the signed valuation contracts between Carmila and the valuers, we have valued the assets held by the Company, taking account of their ownership (freehold, ground lease, etc.). This Summary Report, which summarises the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document.

The valuations were undertaken locally by our valuation teams present in each market. In order to estimate the market value for each asset, we have not only taken into consideration domestic retail investment transactions, but have also considered transactions on a European level. We confirm that our valuations have been prepared in a similar way to other valuations undertaken in Europe, in order to maintain a consistent approach and to take into consideration all the market transactions and information available.

The valuations are based on the discounted cash flow method and the capitalisation method that are regularly used for these types of assets.

Our valuations were undertaken at 31 December 2022.

Reference documents and general principles

We confirm that our valuations were performed in accordance with the appropriate sections of the Code of Conduct of the November 2021 Edition of the RICS Valuation – Global Standards (the "Red Book"), effective 31 January 2022. This is a valuation basis accepted on an international level. Our valuations are compliant with IFRS and IVSC guidance. The valuations have also been prepared on the basis of the AMF recommendations on the presentation of valuations of real estate assets owned by listed companies, published on 8 February 2010. Furthermore, they take into account the recommendations of the Barthès de Ruyter report on valuations of real estate owned by listed companies, published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers as defined by the Red Book standards published by RICS.

Basis of valuation

Our valuations correspond to the Market Value and are reported to the Company as both gross values (market value before deduction of transfer costs) and net values (market value after deduction of transfer costs).

2.2.3.2 Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants is complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by our contacts within the Company that could impact value has been made available to us and that this information is up to date in all significant aspects. This includes running costs, works undertaken, financial elements, including turnover rents, lettings signed or in the process of being signed, and rental incentives, in addition to the list of let and vacant units.

Leasable areas

We have not measured the assets and have therefore based our valuations on the leasable areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are not and should not be affected by ground pollution and that the state of the land will not affect their current or future usage.

Urban planning

We have not studied building or other permits and have assumed that the assets have been built and are occupied and used in compliance with all necessary authorisations and that any outstanding legal issues have been resolved. We have assumed that the layout of assets conforms to legal requirements and town planning regulations, notably concerning the structural materials, fire safety, and health and safety. We have also assumed that any extensions in progress are being undertaken in line with urban planning rules and that all necessary permissions have been obtained.

Title deeds and tenancy schedules

We have relied upon the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and the business plans which were provided to us. We have assumed, with the exception of what may be mentioned in our individual asset reports, that the assets are not inhibited by any restriction which could impede a sale and that they are free from any restrictions or charges. We have not read the title deeds and have taken as correct the rental, occupational and all other pertinent information that has been provided to us by the Company.

Condition of the assets

We have taken note of the general condition of each asset during our inspection. Our instruction does not include a building or structural survey but we have indicated in our report, where applicable, any maintenance problems that were immediately apparent during our inspection. The assets have been valued based on the information provided by the Company according to which no deleterious material was used in their construction.

Taxation

Our valuations were undertaken without taking into account potential sales or legal fees or taxes which would come into effect in the case of a transfer. The rental and market values produced are net of VAT.

Explanatory note on market conditions: conflict in Ukraine

Despite the post-Covid economic rally, Europe is currently experiencing mounting uncertainty due to the major global impacts from the war in Ukraine and strong inflationary pressures, with price rises significantly above their historical level. Employees in some industries are also threatening strike action in response to the rising cost of living. We are seeing European countries raise their benchmark interest rates in response to rising inflation, which in turn is driving up borrowing costs. These factors affect growth and consumer confidence. Given the potential for market conditions to evolve rapidly in response to a volatile economic and political climate, we stress the importance of the date on which properties are valued and the market climate in which the appraisal opinion was prepared.

2.2.3.3 Confidentiality and disclosure

Finally, and in accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to Carmila. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the valuation firms accept no liability for the valuations carried out by the other firms.

Jean-Philippe Carmarans
Head of Valuation & Advisory France
Cushman & Wakefield Valuation France

Tony Loughran
Partner
C&W Valuation & Advisory, Spain

Simone Scardocchia
Head of Corporate Valuation
BNP Paribas Real Estate, Italy

Jean-François Drouets
Chairman
Catella Valuation

Ana Flores
Head of Valuation
Catella Property Spain SA

2.3 Financial performance

2.3.1 Selected financial information

(in millions of euros)	2022	2021
Gross rental income	357.0	351.8
Net rental income	335.2	289.9
EBITDA (excluding fair value adjustments)(1)	287.2	238.8
Fair value adjustments on investment properties	6.9	(4.7)
Operating income	297.8	234.2
Net financial expense	(75.7)	(73.7)
Net income attributable to owners	219.3	192.1
Earnings per share(3)	1.52	1.33
EPRA earnings(2)	222.9	172.0
EPRA earnings per share(3)	1.55	1.19
Recurring earnings(4)	224.9	178.2
Recurring earnings per share(3)	1.56	1.24

(1) *For a definition of EBITDA (excluding fair value adjustments) and the reconciliation with the closest IFRS indicator, see the "Comments on the year's activity" section.*
(2) *For a definition of "EPRA earnings", see the "EPRA performance indicators" section.*
(3) *Average number of shares: 144,211,816 at 31 December 2022 and 144,250,286 at 31 December 2021.*
(4) *Recurring earnings are equal to EPRA earnings excluding certain non-recurring items. See the "EPRA performance indicators" section.*

SELECTED FINANCIAL INFORMATION FROM THE STATEMENT OF FINANCIAL POSITION

(in millions of euros)	31 Dec. 2022	31 Dec. 2021
Investment properties (appraisal value excluding transfer taxes)	5,784.9	5,846.3
Cash and cash equivalents	356.7	238.3
Financial liabilities (current and non-current)	2,610.2	2,613.0
Equity attributable to owners	3,501.7	3,374.9

FINANCIAL INFORMATION RELATED TO KEY INDICATORS AND RATIOS

(in millions of euros)	31 Dec. 2022	31 Dec. 2021
Net debt	2,203.9	2,322.9
EPRA LTV	37.6%	39.2%
EPRA LTV (including RETTS)	35.8%	37.4%
Interest coverage ratio (ICR)[1]	4.5x	3.9x
EPRA Net Tangible Assets	3,628.7	3,575.8
EPRA Net Tangible Assets (EPRA NTA) per share[2]	25.26	24.54
Appraisal value (including transfer taxes and work in progress)	6,165.7	6,214.4

(1) Ratio of EBITDA (excluding fair value adjustments) to cost of net debt.
(2) Year end, fully diluted, on the basis of 143,670,123 shares at 31 December 2022 and 145,736,217 shares at 31 December 2021.

2.3.2 Financial statements

2.3.2.1 Consolidated statement of comprehensive income

(in thousands of euros)	2022	2021
Gross rental income	**356,966**	**351,790**
Charges rebilled to tenants	88,798	77,691
Total income from rental activity	**445,764**	**429,481**
Real estate expenses	(25,035)	(23,916)
Rental charges	(80,522)	(71,069)
Property expenses (landlord)	(5,012)	(44,582)
Net rental income	**335,195**	**289,914**
Overhead expenses	(51,762)	(51,767)
Income from property management, administration and other activities	*11,704*	*11,505*
Other income	*7,683*	*3,322*
Payroll expenses	*(30,051)*	*(28,629)*
Other external expenses	*(41,098)*	*(37,965)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(2,191)	(1,245)
Other operating income and expenses	7,467	(1,125)
Gains and losses on disposals of investment properties and equity investments	(2,706)	38
Change in fair value adjustments	6,878	(4,674)
Share in net income of equity-accounted companies	4,954	3,068
Operating income	**297,835**	**234,209**
Financial income	2,162	1,039
Financial expenses	(66,514)	(62,985)
Cost of net debt	**(64,352)**	**(61,946)**
Other financial income and expenses	(11,351)	(11,761)
Net financial expense	**(75,703)**	**(73,707)**
Income before taxes	**222,132**	**160,502**
Income tax	(2,460)	31,834
CONSOLIDATED NET INCOME	**219,673**	**192,336**
Attributable to owners of the parent	219,329	192,121
Non-controlling interests	344	215
Average number of shares comprising Carmila's share capital	144,211,816	144,250,286
Earnings per share (attributable to owners) (in euros)	1.52	1.33
Diluted average number of shares comprising Carmila's share capital	144,417,529	144,518,878
Diluted earnings per share (attributable to owners) (in euros)	**1.52**	**1.33**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2022	2021
Consolidated net income	**219,673**	**192,336**
Items that will be reclassified subsequently to net income	**79,323**	**20,346**
Effective portion of cash flow hedges	79,323	20,346
Fair value of other financial assets	-	-
Related income tax	-	-
Items that will not be reclassified subsequently to net income	**108**	**77**
Actuarial gains and losses on defined benefit plans	108	77
Related income tax	-	-
TOTAL COMPREHENSIVE INCOME	**299,104**	**212,759**

2.3.2.2 Consolidated statement of financial position

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Intangible assets	3,637	4,664
Property, plant and equipment	2,976	3,369
Investment properties carried at fair value	5,784,937	5,846,327
Investment properties carried at cost	28,509	33,213
Investments in equity-accounted companies	75,548	50,309
Other non-current assets	70,330	19,539
Deferred tax assets	9,851	9,855
Non-current assets	**5,975,789**	**5,967,275**
Trade receivables	101,689	75,489
Other current assets	79,140	90,439
Cash and cash equivalents	356,707	238,268
Current assets	**537,536**	**404,196**
TOTAL ASSETS	**6,513,325**	**6,371,471**

EQUITY AND LIABILITIES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Share capital	863,094	875,389
Additional paid-in capital	1,825,225	1,985,987
Treasury shares	(2,696)	(2,351)
Other comprehensive income	50,962	(28,469)
Consolidated retained earnings	545,755	352,177
Consolidated net income	219,329	192,121
Equity attributable to owners	**3,501,668**	**3,374,853**
Non-controlling interests	5,784	5,776
TOTAL EQUITY	**3,507,453**	**3,380,629**
Non-current provisions	8,523	6,867
Non-current financial liabilities	2,534,492	2,384,895
Lease deposits and guarantees	80,782	79,812
Non-current tax and deferred tax liabilities	141,179	139,445
Other non-current liabilities	2	2
Non-current liabilities	**2,764,978**	**2,611,021**
Current financial liabilities	75,721	228,071
Bank facilities	20	82
Current provisions	87	1,039
Trade payables	19,721	20,984
Payables to suppliers of non-current assets	12,868	22,067
Accrued tax and payroll liabilities	47,044	54,179
Other current liabilities	85,433	53,399
Current liabilities	**240,894**	**379,821**
TOTAL EQUITY AND LIABILITIES	**6,513,325**	**6,371,471**

2.3.2.3 Consolidated statement of cash flows

(in thousands of euros)	2022	2021
Consolidated net income	**219,673**	**192,336**
Elimination of income from equity-accounted companies	(4,954)	(3,068)
Elimination of depreciation, amortisation and provisions	7,402	493
Elimination of fair value adjustments	790	9,722
Elimination of capital gains and losses on disposals	3,598	(33)
Other non-cash income and expenses	3,055	8,599
Cash flow from operations after cost of net debt and tax	**229,563**	**208,049**
Elimination of tax expense (income)	2,460	(31,834)
Elimination of cost of net debt	64,353	61,946
Cash flow from operations before cost of net debt and tax	**296,376**	**238,161**
Change in operating working capital	22,224	18,293
Change in lease deposits and guarantees	542	3,572
Income tax paid	3,205	(2,168)
Net cash from operating activities	**322,347**	**257,858**
Change in payables on non-current assets	(9,174)	(85,321)
Acquisitions of investment properties	(88,762)	(64,584)
Acquisitions of other non-current assets	(15,860)	(454)
Change in loans and advances	(1,777)	(4,129)
Disposal of investment properties and other non-current assets	146,030	8,216
Dividends received	1,218	818
Net cash from (used in) investing activities	**31,675**	**(145,454)**
Share capital increase	(29,500)	(8,000)
Net sale (purchase) of treasury shares	(345)	190
Issuance of bonds	122	300,000
Increase in bank loans	380,000	-
Loan repayments	(379,748)	(324,833)
Marketable securities included in other current receivables	-	106
Interest paid	(64,321)	(59,596)
Interest received	2,162	1,039
Dividends and share premiums distributed to shareholders	(143,891)	(94,453)
Net cash used in financing activities	**(235,521)**	**(185,547)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**118,501**	**(73,143)**

2.3.2.4 Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Other compre-hensive income	Consolidated retained earnings	Consoli-dated net income	Equity attributable to owners	Non-controlling interests	Total equity
BALANCE AT 31 DECEMBER 2020	**855,701**	**2,039,818**	**(2,541)**	**(48,892)**	**617,412**	**(198,755)**	**3,262,744**	**5,728**	**3,268,471**
Corporate actions	(3,272)	(4,728)					(8,000)		(8,000)
Share-based payments	22,960	25,065					48,025		48,025
Treasury share transactions			190		1,254		1,444		1,444
Dividend paid		(74,169)			(68,077)		(142,246)	(232)	(142,478)
Appropriation of 2020 net income (loss)					(198,755)	198,755	-		-
Net income for the year						**192,121**	**192,121**	**215**	**192,336**
Gains and losses recorded directly in equity									
Other comprehensive income reclassified to income				3,996			3,996		3,996
Change in fair value of other financial assets							-		-
Change in fair value of hedging instruments				16,350			16,350		16,350
Actuarial gains and losses on retirement benefits				77			77		77
Other comprehensive income				**20,423**			**20,423**	**-**	**20,423**
Other changes					343		343	65	408
BALANCE AT 31 DECEMBER 2021	**875,389**	**1,985,986**	**(2,351)**	**(28,469)**	**352,177**	**192,121**	**3,374,853**	**5,776**	**3,380,629**
Corporate actions	(12,295)	(17,204)					(29,499)		(29,499)
Share-based payments	-	-					-		-
Treasury share transactions			(345)		1,455		1,110		1,110
Dividend paid		(143,556)					(143,556)	(336)	(143,891)
Appropriation of 2021 net income					192,121	(192,121)	-		-
Net income for the year						**219,329**	**219,329**	**344**	**219,673**
Gains and losses recorded directly in equity									
Other comprehensive income reclassified to income				4,992			4,992		4,992
Change in fair value of other financial assets							-		-
Change in fair value of hedging instruments				74,331			74,331		74,331
Actuarial gains and losses on retirement benefits				108			108		108
Other comprehensive income				**79,431**			**79,431**	**-**	**79,431**
Other changes		(1)			2		1		1
BALANCE AT 31 DECEMBER 2022	**863,094**	**1,825,225**	**(2,696)**	**50,962**	**545,755**	**219,328**	**3,501,668**	**5,784**	**3,507,453**

2.3.3 Comments on the year's activity

2.3.3.1 Gross rental income and net rental income

GROSS RENTAL INCOME

	2022		2021
	Year-on-year change		
(in thousands of euros)	Gross rental income	Reported	Gross rental income
France	243,505	0.6%	241,992
Spain	90,486	4.1%	86,931
Italy	22,975	0.5%	22,867
TOTAL	**356,966**	**1.5%**	**351,790**

Gross rental income increased by 1.5% in 2022. The increase reflects the IFRS 16 impact of rent-free periods granted in connection with the health crisis in exchange for an extension in lease terms (€4.1 million positive impact in 2022). Rent-free periods granted with no concession by the tenant are recognised against net rental income.

NET RENTAL INCOME

	2022					2021
		Year-on-year change				
(in thousands of euros)	Net rental income	Like for like (total)	Like for like (specific Covid-19 impact)	Like for like (excl. specific Covid-19 impact)	Reported	Net rental income
France	231,622	19.9%	15.6%	4.3%	18.0%	196,302
Spain	82,544	11.9%	7.6%	4.2%	11.9%	73,771
Italy	21,029	6.0%	4.5%	1.5%	6.0%	19,841
TOTAL	**335,195**	**16.9%**	**12.7%**	**4.2%**	**15.6%**	**289,914**

Net rental income totalled €335.2 million, up €45.3 million, or 15.6%, in 2022. This increase is attributable to the factors described below.

- Changes linked to specific Covid-related impacts increased net rental income by €36.8 million, or 12.7%, due to improved rent collection versus 2021 (€28.9 million positive impact) and non-recurring income linked to the collection of pre-2021 receivables (€8.0 million positive impact).
- Organic growth as adjusted for these impacts came out at €12.2 million, or 4.2%. The share of indexation included in growth at constant scope is a positive 3.2%.
- Growth generated by acquisitions and disposals was a negative €1.7 million, or a negative 0.6% (disposal of Magnirayas assets in France; acquisition of the Rosaleda shopping centre in Malaga, Spain).
- Other factors reduced net rental income by €2.0 million, or 0.7%, and include the impact of reclassifying income from property management to "Other income".

2.3.3.2 Rent collection

	31 Dec. 2022				
	First-quarter 2022	Second-quarter 2022	Third-quarter 2022	Fourth-quarter 2022	Full-year 2022
Gross collection rate (total amount invoiced)	97.7%	97.5%	96.3%	95.0%	96.6%

2.3.3.3 Overhead expenses

(in thousands of euros)	2022	2021
Income from property management, administration and other activities	11,704	11,505
Other income	7,683	3,322
Payroll expenses	(30,051)	(28,629)
Other external expenses	(41,098)	(37,965)
OVERHEAD EXPENSES	**(51,762)**	**(51,767)**

Overhead expenses remained stable year on year.

Income from property management, administration and other activities, and other income from services

This item totalled €11.7 million in 2022, an increase of €0.2 million or 1.7% compared to 2021.

The "Income from property management, administration and other activities" line consists of (i) rebilled shopping centre management costs and (ii) technical and marketing fees.

Other income

Other income from services was up €4.4 million due to the €2.7 million increase in marketing services rebilled to retailers' associations, and the reclassification of €1.7 million in income from property management to "Other income".

Payroll expenses

Payroll expenses amounted to €30.1 million in 2022, a €1.4 million (5.0%) rise on 2021. This increase is due to recruitment within the Next Tower teams (€0.4 million) and to the revaluation of wages and salaries (€1.0 million).

Other external expenses

Other external expenses represented €41.1 million in 2022, an increase of €3.1 million, or 8.3%. Higher external expenses mainly reflect the centralisation of marketing costs (previously borne by the retailers' associations) and are offset by an increase in marketing costs rebilled to retailers' associations (see "Other income from services" above).

Excluding payroll expenses, overhead expenses were down by €1.4 million despite higher inflation-related costs, thanks to the overhead cost savings and an increase in marketing costs rebilled to retailers' associations.

2.3.3.4 EBITDA

(in thousands of euros)	2022	2021
Operating income	**297,835**	**234,209**
Elimination of change in fair value	(6,878)	4,674
Elimination of attributable change in fair value of equity-accounted companies	(1,148)	(1,354)
Elimination of capital (gains)/losses	3,036	829
Depreciation and amortisation of property and equipment and intangible assets	991	400
Adjustments for non-recurring items*	(6,597)	
EBITDA	**287,239**	**238,758**

* *Adjustments for non-recurring items are principally corrections relating to budgeted maintenance costs and changes to and reversals from provisions.*

EBITDA came in at €287.2 million in 2022, a year-on-year increase of 20.3% (€48.5 million), primarily attributable to the health crisis that had impacted the prior-year period.

2.3.3.5 Net financial expense

Financial expense *(in thousands of euros)*	2022	2021
Financial income	2,162	1,039
Financial expenses	(66,514)	(62,985)
Cost of net debt	**(64,352)**	**(61,946)**
Other financial income and expenses	(11,351)	(11,761)
NET FINANCIAL EXPENSE	**(75,703)**	**(73,707)**

Cost of net debt

The cost of net debt in 2022 rose by €2.4 million year on year to €64.4 million. The cost of net debt mainly reflects the €1.8 million increase in interest expense and €0.6 million in non-recurring and non-cash expenses.

The change in interest expense can be analysed as follows:

- an increase in interest expense on bonds (new €300 million bond issue in March 2021) to €1.4 million;
- a rise of €4 million in interest expenses on bank loans due to higher interest rates and the new €550 million term loan put in place in July 2022;
- partly offset by a €3.1 million decrease in interest expense on hedging instruments;an increase of €0.5 million in miscellaneous financial interest expense.

The change in non-recurring and non-cash expenses can be analysed as follows:

- a €1 million increase in the financial instrument cancellation costs recognised over several reporting periods, following the cancellation of two swaps at the end of 2021;
- a €0.8 million decrease in amortisation of issuance premiums and costs;
- interest income from capitalised financial expenses decreased by €0.4 million due to the delivery of the Nice Lingostière extension.

Other financial income and expenses

There was a slight change in this caption over the year, attributable to the factors described below:

- Other financial income rose by €2.5 million and at 31 December 2022 mainly consists of €2.6 million in income related to the unwinding of a swap.
- Other financial expenses chiefly relate to:
  - commitment fees for undrawn credit lines amounting to €2.8 million;
  - the recognised portion of the IFRS 9 impact of resetting the debt at its original effective interest rate (spread over several reporting periods) for €1.6 million;
  - changes in credit risk on derivatives representing €2.7 million;
  - other financial expenses for €7.6 million, including €5 million in financial provisions for impairment of receivables related to equity investments.

2.3.4 EPRA performance indicators

2.3.4.1 EPRA summary table

	31 Dec. 2022	31 Dec. 2021
EPRA earnings *(in millions of euros)*	222.9	172.0
EPRA earnings per share *(in euros)*	1.55	1.19
EPRA NRV *(in thousands of euros)*	3,886,395	3,829,620
EPRA NRV per share *(in euros)*	27.05	26.28
EPRA NTA *(in thousands of euros)*	3,628,704	3,575,785
EPRA NTA per share *(in euros)*	25.26	24.54
EPRA NDV *(in thousands of euros)*	3,700,490	3,350,159
EPRA NDV per share *(in euros)*	25.76	22.99
EPRA NIY (shopping centres)	6.0%	5.8%
EPRA Topped-up NIY (shopping centres)	6.2%	5.9%
EPRA Vacancy Rate	5.0%	5.5%
EPRA Cost Ratios (including direct vacancy costs)	20.9%	23.9%
EPRA Cost Ratios (excluding direct vacancy costs)	18.0%	20.7%
EPRA LTV	37.6%	39.2%
EPRA LTV (including RETTS)	35.8%	37.4%

2.3.4.2 EPRA earnings and recurring earnings

(in thousands of euros)	2022	2021
Net income attributable to owners	**219,329**	**192,121**
Adjustments to calculate EPRA earnings	**3,558**	**(20,287)**
(i) Changes in value of investment properties, development properties held for investment and other interests	(6,878)	4,688
(ii) Gains and losses on disposals of investment properties	3,036	(38)
(iii) Gains and losses on disposals of trading properties	-	-
(iv) Tax on disposal gains and losses	-	-
(v) Negative goodwill/goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	6,623	13,030
(vii) Acquisition costs for share deal acquisitions	-	-
(viii) Deferred tax in respect of EPRA adjustments	1,582	(36,613)
(ix) Adjustments (i) to (iv) in respect of joint ventures (unless already included under proportional consolidation)	(1,148)	(1,140)
(x) Non-controlling interests in respect of the above	344	-
(xi) Other adjustments		-
EPRA EARNINGS	**222,887**	**172,049**
Year-on-year change	*+29.5%*	*+7%*
Average number of shares	144,211,816	144,250,286
EPRA EARNINGS PER SHARE	**1.55**	**1.19**
Year-on-year change	*+29.6%*	*+4%*
Fully diluted number of shares	144,417,529	144,518,878
DILUTED EPRA EARNINGS PER SHARE	**1.54**	**1.19**
Other adjustments	**2,033**	**6,121**
Issuance costs[(1)]	973	1,731
Other non-recurring expenses or (income)[(2)]	1,060	4,390
RECURRING EARNINGS	**224,920**	**178,170**
Year-on-year change	*+26.2%*	*+6.3%*
RECURRING EARNINGS PER SHARE	**1.56**	**1.24**
Year-on-year change	*+26.3%*	*+3.3%*

Comments on the other adjustments:

(1) Debt issuance costs relate to the reversal of the proportion of deferred issuance costs still to be amortised following the cancellation of the former revolving credit facility in 2021 and of tranche A of the new revolving facility in 2022.

(2) Other non-recurring expenses comprise depreciation and amortisation expenses, movements in provisions for contingencies and charges, and financial impairment of Carmila Retail Development investments.

2.3.4.3 EPRA Cost Ratio

(in millions of euros)	2022	2021
(i) Operating costs	77.0	80.7
Overhead expenses	72.0	73.4
Property expenses	5.0	7.3
(ii) Net service charge costs/fees	16.8	9.6
(iii) Management fees less profit element	(11.7)	(11.5)
(iv) Other operating recharges intended to cover overhead expenses	(7.7)	(3.3)
(v) Share of costs of equity-accounted companies	1.2	0.9
(vi) Impairment of investment properties and provisions included in property expenses	0.0	0.0
(vii) Ground rent costs	0.0	0.0
(viii) Service charge costs recovered through rents	0.0	(1.8)
EPRA costs (including direct vacancy costs)	**75.6**	**74.6**
(ix) Direct vacancy costs	10.2	10.1
EPRA costs (excluding direct vacancy costs) (A)	**65.4**	**64.5**
(x) Gross rental income less ground rents	357.0	309.8
(xi) Less: service fee and service charge cost components of gross rental income	0.0	(1.8)
(xii) Plus: share of Joint Ventures (gross rental income less ground rents)	5.4	3.9
Gross rental income (B)	362.4	312.0
EPRA COST RATIOS (INCLUDING DIRECT VACANCY COSTS)	**20.9%**	**23.9%**
EPRA COST RATIOS (EXCLUDING DIRECT VACANCY COSTS)	**18.0%**	**20.7%**
Covid-19 impacts (C)	(4.0)	42.0
EPRA COST RATIOS EXCLUDING COVID-19 IMPACT AND DIRECT VACANCY COSTS (A/(B+C))	**18.2%**	**18.2%**

Overhead expenses include other external expenses, payroll expenses and the cost of discontinuing projects.

In 2021, property expenses did not include the impacts of the health crisis (rent-free periods and impairment of trade receivables) but were deducted from gross rental income.

In 2022, Covid-19 impacts correspond to rent-free periods and to non-recurring income related to the collection of pre-2022 receivables.

2.3.4.4 EPRA NRV, EPRA NTA and EPRA NDV

EPRA NAV INDICATORS AT 31 DECEMBER 2022

(in thousands of euros)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to owners	**3,501,668**	**3,501,668**	**3,501,668**
Include/Exclude:*			
(i) Hybrid instruments			
Diluted NAV	**3,501,668**	**3,501,668**	**3,501,668**
Include:*			
(ii) Revaluation of investment property (if IAS 40 cost option is used)			
(iii) Revaluation of IPUC(1) (if IAS 40 cost option is used)			
(iv) Revaluation of other non-current investments(2)			
(v) Revaluation of tenant leases held as finance leases(3)			
(vi) Revaluation of trading properties(4)			
Diluted NAV at fair value	**3,501,668**	**3,501,668**	**3,501,668**
Exclude:*			
(vii) Deferred tax in relation to fair value gains of investment property(5)	141,179	141,179	
(viii) Fair value of financial instruments	(62,449)	(62,449)	
(ix) Goodwill as a result of deferred tax	-	-	
(x) Goodwill as per the IFRS balance sheet		-	
(xi) Intangible assets as per the IFRS balance sheet		(3,636)	
Include:*			
(xii) Fair value of fixed-rate debt	-		198,822
(xiii) Revaluation of intangible assets at fair value			
(xiv) Transfer taxes	305,996	51,941	
NAV	**3,886,395**	**3,628,704**	**3,700,490**
Fully diluted number of shares	143,670,123	143,670,123	143,670,123
NAV PER SHARE	**27.05**	**25.26**	**25.76**

(1) Difference between development property held on the statement of financial position at cost and fair value of that development property.
(2) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line item.
(3) Difference between finance lease receivables held on the statement of financial position at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the statement of financial position at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA.
** "Include" indicates that assets (on- or off-balance sheet) should be added to shareholders' equity, and liabilities deducted. "Exclude" indicates that assets (on-balance sheet) are reversed, whereas liabilities (on-balance sheet) are added back.*

EPRA NAV INDICATORS AT 31 DECEMBER 2021

(in thousands of euros)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to owners	3,374,853	3,374,853	3,374,853
Include/Exclude:*			
(i) Hybrid instruments			
Diluted NAV	**3,374,853**	**3,374,853**	**3,374,853**
Include:*			
(ii) Revaluation of investment property (if IAS 40 cost option is used)			
(iii) Revaluation of IPUC(1) (if IAS 40 cost option is used)			
(iv) Revaluation of other non-current investments(2)			
(v) Revaluation of tenant leases held as finance leases(3)			
(vi) Revaluation of trading properties(4)			
Diluted NAV at fair value	**3,374,853**	**3,374,853**	**3,374,853**
Exclude:*			
(vii) Deferred tax in relation to fair value gains of investment property(5)	139,445	139,445	
(viii) Fair value of financial instruments	12,624	12,624	
(ix) Goodwill as a result of deferred tax			
(x) Goodwill as per the IFRS balance sheet			
(xi) Intangible assets as per the IFRS balance sheet		(4,492)	
Include:*			
(xii) Fair value of fixed-rate debt			(24,695)
(xiii) Revaluation of intangible assets at fair value			
(xiv) Transfer taxes	302,698	53,355	
NAV	**3,829,620**	**3,575,785**	**3,350,159**
Fully diluted number of shares	145,736,217	145,736,217	145,736,217
NAV PER SHARE	**26.28**	**24.54**	**22.99**

(1) Difference between development property held on the statement of financial position at cost and fair value of that development property.
(2) Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line item.
(3) Difference between finance lease receivables held on the statement of financial position at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the statement of financial position at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA.
** "Include" indicates that assets (on- or off-balance sheet) should be added to shareholders' equity, and liabilities deducted. "Exclude" indicates that assets (on-balance sheet) are reversed, whereas liabilities (on-balance sheet) are added back.*

2.3.4.5 EPRA LTV

EPRA LTV INDICATORS AT 31 DECEMBER 2022

		Proportionate consolidation			
(in thousands of euros)	Group EPRA LTV	Share of JVs[1]	Share of significant investments[2]	Share of non-controlled entities	Combined EPRA LTV 31 Dec. 2022
INCLUDED:					
Bank loans	550,000		14,963		564,963
Commercial paper	50,000				50,000
Hybrid instruments (including convertible bonds, preference shares, debt, options)	0				0
Bonds	1,961,200				1,961,200
Foreign exchange derivatives (swaps/options)	0				0
Net debt	0	823	60		883
Owner-occupied assets (debt)	0				0
Current accounts with partners	0				0
EXCLUDED:					
Cash and cash equivalents	356,687	1,153	969		358,809
Net debt (A)	**2,204,513**	**(330)**	**14,054**	**0**	**2,218,236**
INCLUDED:					
Owner-occupied assets	0				0
Investment properties carried at fair value (excluding transfer taxes)	5,784,937	63,750	30,186		5,878,873
Assets held for sale	0				0
Assets under construction	0				0
Intangible assets	3,637				3,637
Net receivables	15,676				15,676
Financial assets					0
Total value of assets excluding transfer taxes (B)	**5,804,250**	**63,750**	**30,186**	**0**	**5,898,186**
EPRA LTV (A/B)	**38.0%**				**37.6%**
Total value of assets including transfer taxes (C)	**6,090,933**	**65,918**	**32,150**		**6,189,001**
EPRA LTV (INCLUDING RETTS) (A/C)	**36.2%**				**35.8%**

(1) As Cancelas.
(2) Magnirayas.

EPRA LTV INDICATORS AT 31 DECEMBER 2021

	Proportionate consolidation				
(in thousands of euros)	Group EPRA LTV	Share of JVs	Share of significant investments	Share of non-controlled entities	Combined EPRA LTV 31 Dec. 2021
INCLUDED:					
Bank loans	170,000				170,000
Commercial paper	200,000				200,000
Hybrid instruments (including convertible bonds, preference shares, debt, options)	0				0
Bonds	2,191,100				2,191,100
Foreign exchange derivatives (swaps/options)	0				0
Net debt	0	926			926
Owner-occupied assets (debt)	0				0
Current accounts with partners	0				0
EXCLUDED:					
Cash and cash equivalents	238,186	1,142			239,328
Net debt (A)	**2,322,914**	**(216)**	**0**	**0**	**2,322,698**
INCLUDED:					
Owner-occupied assets	0				0
Investment properties carried at fair value (excluding transfer taxes)	5,846,327	62,600			5,908,927
Assets held for sale	0				0
Assets under construction	0				0
Intangible assets	4,664				4,664
Net receivables	14,260				14,260
Financial assets					0
Total value of assets excluding transfer taxes (A)	**5,865,251**	**62,600**	**0**	**0**	**5,927,851**
EPRA LTV (A/B)	**39.6%**				**39.2%**
Total value of assets including transfer taxes (C)	**6,149,042**	**64,728**			**6,213,770**
EPRA LTV (INCLUDING RETTS) (A/C)	**37.8%**				**37.4%**

2.3.4.6 EPRA Vacancy Rate

	France	Spain	Italy	Total
Rental value of vacant space *(in millions of euros)*	11.1	9.2	0.4	20.7
Rental value of property portfolio *(in millions of euros)*	270.5	119.0	25.4	414.9
EPRA VACANCY RATE	**4.1%**	**7.8%**	**1.5%**	**5.0%**
Impact of strategic vacancies	0.7%	3.5%	0.1%	1.5%
FINANCIAL VACANCY RATE	**3.4%**	**4.3%**	**1.4%**	**3.5%**

The EPRA vacancy rate at 31 December 2022 was 5.0%, a decrease of 50 basis points compared to end-2021.

The EPRA vacancy rate is the ratio between the market rent for vacant areas and the total market rent (for vacant and rented areas). The rental value used to calculate the EPRA vacancy rate is the gross rental value as defined by expert appraisal.

Strategic vacancies correspond to the vacant premises required to implement renovation, extension, or restructuring projects in shopping centres.

2.3.4.7 EPRA net initial yields: EPRA NIY and EPRA topped-up NIY

(in millions of euros)	2022	2021
Total property portfolio valuation (excluding transfer taxes)	5,859.7	5,911.7
(-) Assets under development and other	28.5	33.2
Completed property portfolio valuation (excluding transfer taxes)	5,831.2	5,878.4
Transfer taxes	306.0	302.7
Completed property portfolio valuation (including transfer taxes) (A)	**6,137.2**	**6,181.1**
Annualised net rents (B)	**369.4**	**355.8**
Impact of rent-free periods	9.6	7.7
Topped-up net annualised rents (C)	**379.0**	**363.5**
EPRA NET INITIAL YIELD (B)/(A)	**6.0%**	**5.8%**
EPRA TOPPED-UP NET INITIAL YIELD (C)/(A)	**6.2%**	**5.9%**

2.3.4.8 EPRA investments

Capital expenditure on investment properties broken down by country is disclosed separately for acquisitions, developments and extensions, or capital expenditure on the portfolio on a like-for-like basis.

(in thousands of euros)	France		Spain		Italy		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Acquisitions	**2,641**	**26,277**	**26,759**	**0**	**0**	**673**	**29,400**	**26,950**
Developments and extensions	**-**	**-**		**-**	**-**	**-**	**-**	**-**
Like-for-like capital expenditure	**45,715**	**29,772**	**9,271**	**6,661**	**4,376**	**1,201**	**59,362**	**37,634**
Extensions	14,919	4,320	0	0	3,433	399	18,352	4,719
Restructuring	15,459	10,300	0	0	0	0	15,459	10,300
Lease incentives	8,896	8,065	3,806	2,708	0	0	12,702	10,773
Renovations	(436)	3,781	4,093	3,074	559	291	4,216	7,146
Maintenance capex	6,877	3,306	1,372	879	384	511	8,633	4,696
Other								
TOTAL CAPITAL EXPENDITURE	**48,356**	**56,049**	**36,030**	**6,661**	**4,376**	**1,874**	**88,762**	**64,584**

The "Acquisitions" caption chiefly relates to the acquisition of the Rosaleda shopping centre in Malaga (€24.6 million) and of units in Labège (€1.2 million).

The “Extensions” line concerns downpayments on off-plan sales, mainly Angoulins (€3.5 million), Toulouse Purpan (€3.3 million), Francheville (€2.3 million), Langueux (€1.3 million), Nevers (€1.2 million), Vannes (€1.2 million) and Mably (€1.1 million).

“Restructuring” mainly concerns the shopping centres at Flins (€2.7 million) as part of the planned Brico Dépôt restructuring, and Laval (€1.0 million) as part of the project to restructure the shopping arcade.

Like-for-like capital expenditure chiefly relates to assets being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. The most significant projects included in this item are Labège (€1.3 million), Laval (€1.1 million) and Calais-Coquelles (€1.0 million). The negative amount shown for “Renovations” is attributable to re-adjustments of provisions relating to previous renovation plans. Like-for-like capital expenditure also includes rent relief granted to tenants.

2.4 Financing policy

2.4.1 Financial resources

Bonds

No new bonds were issued in 2022.

In November 2022, Carmila completed a buyback offer on its bonds maturing on 18 September 2023, of which €523 million remained outstanding. In total, €200.9 million worth of bonds were redeemed, with €322.1 million still outstanding.

Accordingly, Carmila's outstanding bond debt of €2,191 million at 31 December 2021 fell to €1,961 million at 31 December 2022.

Bank borrowings

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027, with two extension options of one year each, and pays interest at 3-month Euribor plus 180 basis points.

This new credit facility includes two sustainability criteria designed to support Carmila's strategy to reduce by 90% its greenhouse gas emissions by 2030 and to achieve BREEAM certification for its entire asset portfolio by 2025.

No specific guarantee has been granted in the context of this loan agreement, which is conditional on compliance with the same financial ratios as Carmila's other bank loans, i.e., a ratio of consolidated net debt to fair value of assets of 0.55, a ratio of EBITDA to net cost of debt of 2.0 and value of investment property equal to or greater than €2.5 billion.

This new credit line refinances an existing bank loan of €170 million maturing in 2024, and also replaces the first, undrawn, tranche of a revolving credit facility of €270 million maturing in 2024.

Further to this operation, Carmila's cash position was sufficient to launch the buyback offer in November 2022 on €200.9 million worth of bonds maturing in September 2023 and to cover in full the redemption of the €322.1 million in bonds outstanding. Following this, the next bond will mature in September 2024.

Loan-to-value ratio (LTV)

The EPRA LTV ratio including RETTS was 35.8% at 31 December 2022, down 160 basis points on end-December 2021. Carmila is committed to maintaining a strong statement of financial position and aims to maintain a level of debt compatible with its BBB (stable outlook) financial rating from S&P.

Carmila is targeting an LTV ratio of 40% (including transfer taxes) over 2022-2026.

Compliance with covenants at 31 December 2022

The loan agreement, along with the syndicated credit facilities, are subject to compliance with covenants as assessed at the end of each interim and annual reporting period. At 31 December 2022, Carmila complied with its covenants.

Bonds are not subject to compliance with these covenants.

Interest coverage ratio (ICR)

The ratio of EBITDA to the net cost of debt must be greater than 2.0 at the test dates.

Loan-to-value ratio (LTV)

The ratio of consolidated net debt to the fair value of investment assets including transfer taxes must not exceed 0.55 on the same dates; the ratio may be exceeded for one half-year period.

Debt maturity

The average maturity of Carmila's debt was 4.4 years at 31 December 2022.

(in thousands of euros)		31 Dec. 2022 12 months	31 Dec. 2021 12 months
EBITDA	(A)	287,239	238,758
Cost of net debt	(B)	64,353	61,946
INTEREST COVERAGE RATIO	**(A)/(B)**	**4.5**	**3.9**

(in thousands of euros)		31 Dec. 2022	31 Dec. 2021
Net debt	**(A)**	**2,203,853**	**2,322,914**
EBITDA	**(B)**	**287,239**	**238,758**
NET DEBT/EBITDA	**(A)/(B)**	**7.7**	**9.7**

Gross financial liabilities do not include issuance costs for bonds and other debt, current and non-current derivative instruments with a negative fair value, bank facilities and IFRS 16 financial liabilities.

Other financing

Carmila strives to diversify its sources of financing and their maturities, and has set up a short term commercial paper programme (NEU CP) for a maximum amount of €540 million, registered with Banque de France on 29 June 2017 and updated every year. At 31 December 2022, the outstanding amount under this programme was €50 million, with maturities mainly ranging from 1 to 6 months.

Revolving credit facility

Until 21 July 2022, Carmila had two revolving credit facilities for €270 million and €540 million, maturing in three and five years respectively, and including two one-year extension options. These credit facilities include two sustainability criteria designed to support Carmila's strategy to reduce by 50% its greenhouse gas emissions by 2030 and to achieve BREEAM certification for its entire asset portfolio by 2025.

On 21 July 2022, Carmila cancelled the first tranche of its €270 million revolving credit facility (RCF) in order to convert it into a new term loan (see above). The outstanding revolving credit facility amounts to €540 million.

On 16 September 2022, Carmila exercised its option to extend its revolving facility by one year and obtained the agreement of all the lending banks to extend the maturity of this line to 21 October 2027.

No drawdowns were made by Carmila on the revolving credit facility in 2022.

Breakdown of financial liabilities by maturity and average interest rate

(in thousands of euros)	Gross amount	Starting date	Lease maturity
Bond issue I – Notional amount €600m, coupon 2.375%	322,100	18/09/2015	18/09/2023
Bond issue II – Notional amount €588m, coupon 2.375%	539,100	24/03/2016	16/09/2024
Bond issue III – Notional amount €350m, coupon 2.125%	350,000	07/03/2018	07/03/2028
Bond issue IV – Notional amount €300m, coupon 1.625%	300,000	30/11/2020	30/05/2027
Bond issue V – Notional amount €300m, coupon 1.625%	300,000	01/04/2021	01/04/2029
Private placement I – Notional amount €50m, coupon 1.89%	50,000	06/11/2019	06/11/2031
Private placement II – Notional amount €100m, coupon 3.000%	100,000	26/06/2020	26/06/2029
Loan agreement	550,000	21/07/2022	21/07/2027
Commercial paper	50,000	31/12/2016	21/10/2028
TOTAL	**2,561,200**		

At 31 December 2022, Carmila's debt had an average maturity of 4.4 years and an average interest rate of 2.2%, taking account of hedging instruments (excluding amortisation of issuance premiums, cancellation expenses for capitalised financial instruments and non-utilisation fees for undrawn credit lines). The average interest rate excluding hedging instruments was 2.1%.

2.4.2 Hedging instruments

As the parent company, Carmila provides for almost all of the Group's financing and manages interest-rate risk centrally.

Carmila's policy is to hedge its floating-rate debt in order to secure future cash flows by fixing or capping the interest rate paid. This policy involves setting up derivatives instruments as interest rate swaps and options which are eligible for hedge accounting.

In order to optimise its hedging, on 18 March 2022 Carmila extended the maturity of two swaps with a notional amount of €25 and €100 million by four and three years, respectively, i.e., to 2031 and 2030. Carmila also entered into a forward swap (starting in 2024, maturing in 2031) and a swaption (starting in 2031, maturing in 2034) on 31 March 2022, with a nominal amount of €125 million. On 13 April 2022, Carmila entered into a forward swap (starting in 2025, maturing in 2031) and a swaption (starting in 2031, maturing in 2035), with a nominal amount of €100 million. On 29 July 2022, Carmila subscribed to a cap spread with a nominal amount of €100 million (starting 2022 and maturing 2026). Lastly, on 14 November, Carmila took out a collar (purchase of a cap and sale of a floor) (starting 2024 and maturing 2031) with a nominal amount of €75 million.

At 31 December 2022, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- six fixed-rate borrower swaps at three-month Euribor for a notional amount of €485 million, with the swap covering the longest term expiring in December 2031;
- two caps for a nominal amount of €200 million maturing in 2023 and 2026;
- one tunnel for a nominal amount of €75 million maturing in 2031.

These hedging instruments, still effective, were recognised as cash flow hedges. The consequence of this cash flow hedge accounting is that derivative instruments are recognised on the closing statement of financial position at their market value, with any changes in fair value attributable to the effective portion of the hedge recorded in shareholders' equity (OCI) and the ineffective portion taken to income.

The fixed-rate position represents 96% of gross debt at 31 December 2022 (including swaps and a swaption collar) and 106% including caps.

2.4.3 Cash

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Cash	81,707	238,268
Cash equivalents	275,000	-
Cash and cash equivalents	**356,707**	**238,268**
Bank facilities	(20)	(82)
NET CASH	**356,687**	**238,186**

2.4.4 Rating

On 13 July 2022, S&P confirmed Carmila's BBB rating with a "stable" outlook.

2.4.5 Dividend policy

In addition to legal requirements, Carmila's dividend policy takes into account various factors including its earnings, financial position and the implementation of its objectives.

Where appropriate, dividends will be paid by Carmila out of distributable income and also out of issuance premiums.

Note that in order to benefit from the SIIC (real estate investment trust) regime in France, Carmila is required to distribute a significant portion of its profits to its shareholders (within the limit of its income as a SIIC and its distributable income):

- 95% of profits from gross rental income earned by Carmila;
- 70% of capital gains; and
- 100% of dividends from subsidiaries subject to the SIIC regime.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand, deducted in full from the merger premium. This amount was paid in full in cash.

For 2022, the Annual General Meeting of 11 May 2023 will be asked to approve a dividend of €1.17 per share, a rise of 17% on the 2021 dividend, in accordance with Carmila's dividend policy as announced at the Capital Market Day in December 2021 (annual dividend of at least €1 per share, paid in cash, for dividends paid between 2022 and 2026, with a target payout ratio of 75% of recurring earnings).

2.4.6 Equity and share ownership

(in thousands of euros)	Number of shares	Share capital	Issuance premium	Merger premium
At 1 January 2022	145,898,168	875,389	568,973	1,417,013
Dividend – GM of 12 May 2022	-			(143,556)
Cancellation of treasury shares	(2,039,146)	(12,235)	(17,265)	
Share option	(9,980)	(60)	60	
AT 31 DECEMBER 2022	**143,849,042**	**863,094**	**551,768**	**1,273,457**

At 31 December 2022, the share capital was made up of 143,849,042 shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital comprises 143,704,395 A shares and 144,647 D shares.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand deducted in full from the merger premium. This amount was paid in full in cash.

Under the share buyback programmes initiated by the Company on 16 February 2022 and 24 March 2022, 2,039,146 shares were bought back and subsequently cancelled on 13 May 2022, further to a decision by the Chair and Chief Executive Officer, acting on the authority of the Board of Directors, and resulting in a reduction in the share capital in an amount of €12,234,876.

In accordance with the terms and conditions of the plan dated 16 May 2019, vested C Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period came to an end on 16 May 2022, leading to the conversion of 139,306 C shares into 129,326 A shares. At the end of the 20-day creditors' objection period, on 9 June 2022 the Chair and Chief Executive Officer placed on record that the share conversion had been completed on 16 May 2022, along with the corresponding decrease in share capital. This capital decrease was charged against issuance premiums for €60 thousand.

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

Carmila's share capital is held by several of its long-term shareholders. At 31 December 2022, its largest shareholder is the Carrefour group, which holds 36.0% of Carmila's share capital and includes Carmila in its financial statements using the equity method. The remaining 64.0% of the share capital is mainly owned by long-term investors from major insurance companies or blue-chip financial players, including Predica (9.8% of Carmila's share capital), Cardif Assurance Vie (9.0%) and Sogecap (6%).

2.5 Appendix

Detailed presentation of Carmila's operating asset base at 31 December 2022

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*
FRANCE					
Aix-en-Provence	1971	2014	2015	39	5,689
Amiens	1973	2014	2014	19	4,973
Angers – Saint Serge	1969	2014	2015	28	7,172
Angoulins	1973	2014	2015	37	6,474
Annecy Brogny	1968	2014	2015	22	4,932
Antibes	1973	2014	2014	33	4,957
Athis Mons	1971	2014	2014	52	10,231
Auch	1976	2014	2014	13	928
Auchy-les-Mines	1993	2014	2015	28	2,756
Auterive	2011	2014	-	19	6,674
Bab 2 – Anglet	1967	2014	2017	130	27,014
Barentin	1973	2016	-	17	7,753
Bassens (Chambéry)	1969	2014	2014	20	2,757
Bay 1	2004	2014	-	27	8,881
Bay 2	2003	2014	-	105	20,819
Bayeux Besneville	1974	2014	2014	9	597
Beaucaire	1989	2014	2015	30	6,840
Beaurains 2	2011	2014	-	10	4,373
Beauvais	1969	2014	2016	19	4,047
Berck-sur-Mer	1995	2014	2014	30	11,225
Besançon – Chalezeule	1976	2014	2018	31	16,975
Bourg-en-Bresse	1977	2014	2019	23	6,103
Bourges	1969	2014	2016	51	8,985
Brest Hyper	1969	2014	2014	49	17,747
Calais – Beau Marais	1973	2014	2015	21	5,130
Calais-Coquelles	1995	2014	2019	157	54,540
Chambourcy	1973	2014	2015	74	21,305
Champs-sur-Marne	1967	2014	2014	18	1,785
Charleville-Mézières	1985	2014	2014	24	2,882
Château Thierry	1972	2014	2015	9	666
Châteauneuf-les-Martigues	1973	2014	2016	21	11,502
Châteauroux	1969	2014	2014	24	4,076
Cholet	1970	2014	2014	32	5,372
Condé-sur-L'Escaut	1987	2014	2015	7	546
Condé-sur-Sarthe	1972	2014	2014	32	8,635
Crêches-sur-Saône	1981	2014	2015	61	19,314
Denain	1979	2014	2016	7	617
Dinan Quevert	1970	2016	-	19	3,269
Douai Flers	1983	2014	2015	48	7,442
Draguignan	1992	2014	2017	23	4,779
Échirolles (Grenoble)	1969	2014	2014	32	4,769
Épernay	1970	2014	2016	10	1,064
Épinal	1983	2014	2016	23	17,377
Étampes	1983	2014	2015	3	878
Évreux	1974	2014	2017	79	37,811
Feurs	1981	2014	2019	6	1,027
Flers Saint-Georges-des-Groseillers	1998	2016	-	14	1,890

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*
Flins-sur-Seine	1973	2014	2014	21	6,592
Fourmies	1985	2014	2016	14	1,905
Francheville	1989	2014	2015	22	3,460
Gennevilliers	1976	2014	2015	18	2,431
Goussainville	1989	2014	2015	24	3,352
Gruchet	1974	2014	2015	29	11,839
Guéret	1987	2014	2019	14	3,418
Hazebrouck	1983	2014	2014	13	1,304
Hérouville Saint-Clair	1976	2014	2016	50	14,228
La Chapelle Saint-Luc	2012	2014	2015	45	21,800
La Ciotat	1998	2014	2015	12	622
La Roche-sur-Yon	1973	2014	2015	14	1,377
Laon	1990	2014	2015	38	8,045
Laval	1986	2014	-	46	7,446
Le Mans	1968	2014	2014	22	1,939
L'Haÿ-les-Roses	1981	2014	2016	13	632
Libourne	1973	2014	2014	25	4,304
Liévin	1973	2014	2014	22	3,257
Limay	1998	2014	-	9	327
Lorient	1981	2014	2014	33	12,424
Mably	1972	2014	2017	29	31,236
Mondeville	1995	2014	-	5	2,401
Montélimar	1985	2014	2016	6	7,908
Montereau	1970	2014	2015	7	911
Montesson	1970	2014	-	66	13,262
Montluçon	1988	2015	2016	36	3,607
Nantes Beaujoire	1972	2014	2015	36	4,661
Nanteuil-lès-Meaux (GM)	2014	2015	-	8	827
Nevers-Marzy	1969	2014	2016	63	21,348
Nice Lingostière	1978	2014	2014	98	21,477
Nîmes Sud	1969	2014	2015	18	2,962
Orange	1988	2014	2014	38	5,327
Orléans Place d'Arc	1988	2014	2018	64	13,569
Ormesson	1972	2015	2018	120	29,492
Paimpol	1964	2014	2016	14	1,614
Pau Lescar	1973	2014	2017	78	12,037
Perpignan Claira	1983	2014	2015	80	21,174
Port-de-Bouc	1973	2014	2015	23	7,096
Pré-Saint-Gervais	1979	2016	-	19	1,628
Puget-sur-Argens	1991	2015	2017	52	4,637
Quetigny	2014	2014	-	5	7,365
Quimper-Le Kerdrezec	1978	2014	2016	40	8,586
Reims-Cernay	1981	2014	2016	21	3,523
Rennes Cesson	1981	2014	2014	78	13,500
Rethel	1994	2016	2017	18	3,405
Saint-Jean-de-Luz	1982	2014	2017	18	2,710
Saint-Lô	1973	2016	2016	10	1,080
Saint-Martin-au-Laërt	1991	2014	2016	9	858
Salaise-sur-Sanne	1991	2014	2014	44	7,212
Sallanches	1973	2014	2016	11	2,064
Sannois	1992	2015	2015	30	4,226
Saran-Orléans	1971	2014	2017	91	38,731
Sartrouville	1977	2014	2014	39	6,750
Segny	1980	2014	2017	16	2,199

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*
Sens Maillot	1970	2014	2016	9	1,848
Sens Voulx	1972	2014	2016	9	599
St-André-les-Vergers	1975	2014	2016	9	1,097
St Brieuc – Langueux	1969	2014	2017	53	14,817
St Egrève	1986	2014	2014	36	9,283
Stains	1972	2014	-	24	2,894
Tarnos	1989	2014	2014	27	4,108
Thionville	1971	2016	-	160	32,055
Tinqueux	1969	2014	2015	27	6,019
Toulouse Labège	1983	2014	-	127	24,095
Toulouse Purpan	1970	2014	2015	49	16,957
Tournefeuille	1995	2014	-	20	5,702
Trans-en-Provence	1976	2014	2016	29	4,069
Uzès	1989	2014	2015	16	1,398
Vannes – Le Fourchêne	1969	2014	2014	71	9,498
Vaulx-en-Velin	1988	2014	2016	42	6,709
Venette	1974	2014	2015	40	6,791
Vénissieux	1966	2014	2016	23	4,561
Villejuif	1988	2014	2015	33	4,183
Vitrolles	1971	2018	-	84	24,403
Vannes – Le Fourchêne	1969	2014	2014	71	9,498
Vaulx-en-Velin	1988	2014	2016	42	6,709
Venette	1974	2014	2015	40	6,791
Vénissieux	1966	2014	2016	23	4,561
Villejuif	1988	2014	2015	33	4,183
Vitrolles	1971	2018	-	84	24,403
SPAIN					
Albacete – Los Llanos	1989	2014	-	12	7,547
Alcala de Henares	2007	2014	2016	20	1,667
Alcobendas	1981	2014	2016	45	3,515
Alfafar	1976	2014	2015	31	7,176
Aljarafe	1998	2018	-	43	12,011
Almería	1987	2014	2014	20	1,011
Alzira	1991	2014	2017	18	7,712
Antequera	2004	2018	2017	54	13,416
Azabache	1977	2014	2016	31	5,839
Cabrera de Mar	1979	2014	2014	26	14,240
Caceres	1998	2014	2015	13	1,559
Cartagena	1998	2014	2016	14	1,097
Castellón	1985	2014	2015	20	2,126
Ciudad de la Imagen	1995	2014	2016	22	2,008
Córdoba – Zahira	1977	2014	2019	14	957
Dos Hermanas (Seville)	1993	2014	2017	17	1,411
El Alisal	2004	2014	2016	34	15,161
El Mirador	1997	2016	-	39	9,895
El Paseo	1977	2018	-	54	10,454
El Pinar	1981	2014	2014	33	4,360
Elche	1983	2014	2015	19	10,112
Fan Mallorca	2016	2016	2016	105	38,141
Finestrat – Benidorm	1989	2014	2016	23	2,224
Gandía	1994	2014	2015	18	2,074
Gran Via de Hortaleza	1992	2018	-	62	6,169
Granada	1999	2014	2015	26	2,692
Huelva	2013	2014	2013	92	33,378
Jerez de la Frontera – Norte	1997	2014	2017	42	6,899

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*
Jerez de la Frontera, Cádiz – Sur	1989	2014	2016	34	6,848
La Granadilla	1990	2014	2014	13	1,029
La Línea de la Concepción, Cádiz – Gran Sur	1997	2014	2016	42	9,109
La Sierra	1994	2018	-	69	17,611
Leon	1990	2014	2016	16	2,474
Lérida	1986	2014	2014	11	512
Los Angeles	1992	2014	2016	38	6,733
Los Barrios Algeciras	1980	2014	2015	25	2,353
Lucena	2002	2014	2016	13	1,394
Lugo	1993	2014	2017	16	2,020
Málaga – Alameda II	1987	2014	2016	31	8,839
Málaga – Los Patios	1975	2014	2018	40	6,667
Málaga – Rosaleda	1993	2022	-	73	15,549
Manresa	1991	2018	-	30	3,238
Merida	1992	2014	2017	18	2,601
Montigala	1991	2016	2018	55	10,668
Mostoles	1992	2014	2016	21	3,291
Murcia – Atalayas	1993	2016	-	45	11,296
Murcia – Zaraiche	1985	2014	2014	23	2,566
Oiartzun	1979	2014	2014	11	729
Orense	1995	2014	2016	17	4,131
Palma	1977	2014	2014	20	579
Paterna	1979	2014	2016	18	1,679
Peñacastillo	1992	2014	2014	49	8,810
Petrer	1991	2014	2016	27	4,067
Plasencia	1998	2014	-	12	1,299
Pontevedra	1995	2014	2014	15	1,681
Reus	1991	2014	2014	21	2,932
Rivas	1997	2014	2016	21	2,158
Sagunto	1989	2014	-	10	968
Salamanca	1989	2014	2016	13	795
San Juan	1977	2018	-	30	7,264
San Juan de Aznalfarache, Seville	1985	2014	2015	35	4,999
San Sebastián de los Reyes	2004	2014	2016	19	2,336
Sestao	1994	2014	2016	16	1,317
Sevilla – Macarena	1993	2014	2016	23	1,882
Sevilla – Montequinto	1999	2014	2016	14	9,995
Sevilla – San Pablo	1979	2014	2014	28	3,273
Talavera – Los Alfares	2005	2014	2016	54	20,481
Tarragona	1975	2014	2017	17	3,420
Tarrasa	1978	2018	-	36	7,502
Torrelavega	1996	2014	2016	15	2,155
Torrevieja	1994	2014	2014	17	1,700
Valencia – Campanar	1988	2014	2016	29	3,099
Valladolid	1981	2014	2017	21	3,615
Valladolid II	1995	2014	2017	13	3,551
Valverde Badajoz	1996	2014	2015	20	3,081
Villanueva	1995	2014	2016	9	687
Villareal de los Infantes	1995	2014	2016	13	939
Zaragoza	1989	2014	2015	17	4,301
As Cancelas wholly owned (50% of assets held, based on the equity method)	2012	2014	2012	117	25,137

Name of centre, city	Year of construction	Year of acquisition	Year of renovation	Total number of units	Carmila Group gross leasable area *(sq.m.)*
ITALY					
Assago	1988	2015	2019	2	2,380
Burolo	1996	2014	2016	10	946
Gran Giussano	1997	2014	2016	49	9,338
Limbiate	2006	2015	-	1	1,923
Massa	1995	2014	2016	43	8,195
Nichelino	2017	2017	2017	68	41,694
Paderno Dugnano	1975	2014	2022	78	16,702
Thiene	1992	2014	2015	39	5,972
Turin	1989	2014	2014	12	1,186
Vercelli	1987	2014	2016	20	3,125

3. Organisation and risk management

3.1 Organisation of the Group and relationship with the Carrefour group

3.1.1 Description of the organisation

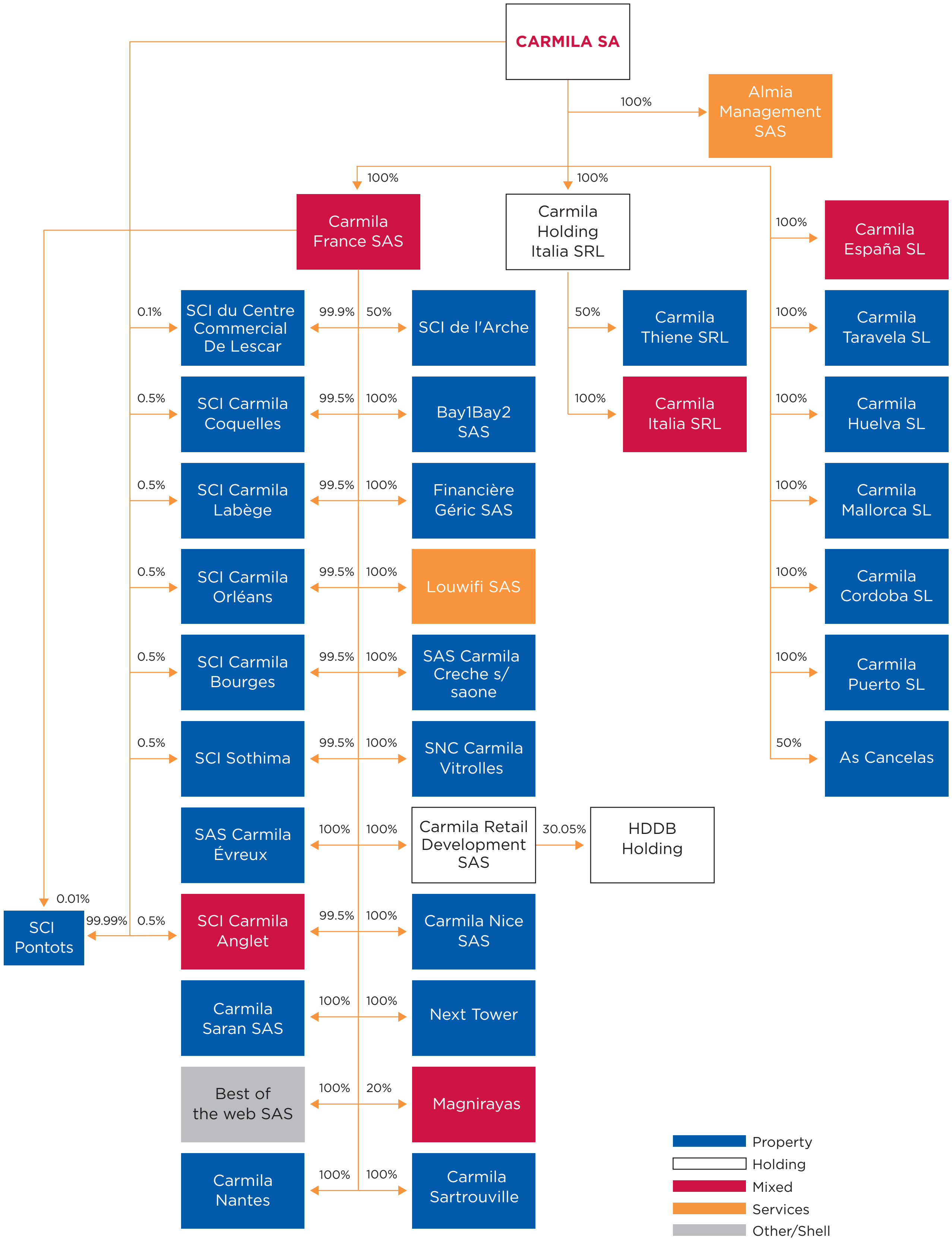
Carmila is a real estate company which benefits from the SIIC tax regime for French real estate investment trusts (REITs) and is dedicated to managing and enhancing the value of shopping centres and retail parks adjoining Carrefour group stores. It owns 208 shopping centres and retail parks in France, Spain and Italy, worth a total of €6.2 billion.

Carmila boasts all of the key areas of expertise needed to develop and enhance the value of its portfolio and its activities going forward: asset management, leasing and Specialty Leasing, omnichannel marketing, shopping centre management, communications, business development and investment (renovations, restructuring, extensions and acquisitions). The Group's operational organisation is designed to be simple and efficient, and it therefore uses the services of Carrefour group entities under the terms of several agreements (see section 3.1.4 "Operational organisation" of this document).

Carmila also draws on its strategic partnership with the Carrefour group and the numerous resulting synergies in order to implement its strategy to enhance value and develop its property portfolio (see section 3.1.5.2 "A partnership generating valuable synergies for Carmila" of this document). Since its creation, the Carmila Group has carried out a major shopping centre renovation and extension program in coordination with Carrefour Property, a subsidiary of the Carrefour group that owns the hypermarket and supermarket buildings in France, Spain and Italy, as well as, in most cases, their car parks. In April 2014, Carmila SAS entered into a renovation and development agreement with the Carrefour group for an initial term of ten years (the "Renovation and Development Agreement"), and which has been extended until 31 December 2027. The purpose of this agreement is to create a partnership between the two groups in order to pursue a strategy aimed at increasing the attractiveness and optimising the value of the retail sites, which are co-owned by the Carrefour group (hypermarkets and car parks) and the Carmila Group (shopping centres) in France, Spain and Italy. Under the Renovation and Development Agreement, the Carmila Group and the Carrefour group are partners on all developments on jointly owned land lots (see section 3.1.5.3 "Principal agreements with Carrefour group entities" of this document for more details on the Renovation and Development Agreement).

3.1.2 Carmila Group organisation chart

The organisation chart below shows the legal organisation of the consolidated entities of the Carmila Group at 31 December 2022[(1)].



(1) *The percentages held as shown in this chart correspond to the percentage of share capital and voting rights held.*

3.1.3 Subsidiaries and equity interests

Principal subsidiaries

The Group's principal direct and indirect subsidiaries are as follows:

- **Carmila France SAS** is a simplified joint-stock company with a sole shareholder (*société par actions simplifiée à associé unique*) incorporated under French law, with share capital of €707,907,052. Its registered office is located at 58, avenue Émile-Zola in Boulogne-Billancourt (92100), France, and it is registered with the Nanterre Trade and Companies Register under number 799 828 173.
- **Carmila España SLU** is a company incorporated under Spanish law, with share capital of €186,315,000. Its registered office is located at Avenida Matapiñonera s/n, 4a planta, Edificio Ábside, 28703 San Sebastián de los Reyes, Madrid, Spain, and it is registered with the *Registro Mercantil de Madrid*, page M-563.021, book 31279, page 11.
- **Carmila Italia S.r.l.** is a private limited company incorporated under Italian law, with share capital of €11,200,000. Its registered office is located at Via Caldera, 21, 20153, Milan, Italy, and it is registered with the *Registro delle Imprese di Milano Monza Brianza Lodi* under number 08603710966 and with the R.E.A. under number MI-2036489.

Equity interests

At 31 December 2022, the Group directly or indirectly holds the following equity interests:

- a 15% interest in Aug'Car;
- a 40% interest in La Barbe de Papa Holding;
- a 30% interest in Loicar;
- a 24% interest in Team Beauty (together with Centros Ideal);
- a 49% interest in Pharmalley;
- a 40.42% interest in Dentalley;
- a 50% interest in Healthcare Experts Institute;
- 40% of the share capital and voting rights of Sunshine Dental Star SL (joint venture with Clinica Dental Start BCN, SLP);
- a 37% interest in VRC Holding;
- a 30% interest in Holding Bohebon;
- a 35% interest in MPH Siège.

At 31 December 2022, amounts invested in these equity interests and in the related current accounts totalled €20.8 million.

Information on equity interests

Information on the companies in which Carmila holds an interest which is likely to have a significant impact on the assessment of its portfolio, its financial position or its results is provided in section 6.1 "Consolidated financial statements for the year ended 31 December 2022" of this document.

3.1.4 Operational organisation

Carmila boasts all of the key areas of expertise needed to develop and enhance the value of its portfolio and its activities going forward: asset management, leasing and Specialty Leasing, multi-channel marketing, shopping centre management, communications and investment (renovations, restructurings, extensions and acquisitions). In addition to the Renovation and Development Agreement, the Group uses the services of Carrefour group entities under the terms of several agreements to make its operational organisation simpler and more efficient. The Group works with Carrefour Property entities, the subsidiaries of the Carrefour group that own the hypermarket and supermarket buildings in France, Spain and Italy. These entities act as co-developers and carry out delegated project management and property management roles. Several Carrefour group entities also perform certain administrative and financial services for Carmila.

3.1.5 Strategic partnership with the Carrefour group

3.1.5.1 A major competitive advantage

The strategic partnership with the Carrefour group is a major competitive advantage for Carmila. It enables Carmila to develop its strategy based on a privileged relationship with Carrefour, one of the world's leading retailers with long-standing local roots.

The Carmila Group is the owner of shopping centres adjoining Carrefour group hypermarkets in France, Spain and Italy. The Carrefour group is one of the world's leading food retailers, with a multi-format network of some 14,000 stores in more than 40 countries.

Carmila owns around 45% of the shopping centres adjoining Carrefour hypermarkets in the three countries.

3.1.5.2 A partnership generating valuable synergies for Carmila

The Carmila Group was created in April 2014 to revitalise the retail ecosystem formed by the hypermarkets and their adjoining shopping centres. Its goal was to revitalise the sites through the coordinated renovation, optimisation and extension of the hypermarkets and the shopping centres. The merger between Cardety and Carmila SAS, effective 12 June 2017, marked a further step in the strategy in place since 2014 to create a single player dedicated to enhancing the value of the real estate assets adjoining Carrefour hypermarkets in France, Spain and Italy. Following this transaction, the merged entity was renamed Carmila and listed on compartment A of Euronext Paris.

In implementing its strategy, the Group benefits from its strategic partnership with the Carrefour group. The shared vision of the two groups embodied by their partnership is a major competitive advantage for Carmila, which enables it to benefit from significant synergies that also benefit its retailer tenants and end customers:

- the aim of both groups to form a coherent commercial ecosystem at each site makes it possible to accelerate the revitalisation and expansion of the shopping centres to cement their local leadership;
- the implementation of coordinated marketing activities between the Carrefour group and the Carmila Group will promote the development of multi-channel marketing solutions at optimised cost in order to increase footfall at the Group's shopping centres;
- coordinated shopping centre renovation and hypermarket modernisation optimises the site's increased attractiveness while limiting the temporary impact of building work;
- Carmila is able to deliver extension projects relatively quickly thanks to coordinated action with the Carrefour group and effective oversight of land reserves, since the Carrefour group generally owns the car parks or land adjoining the Carmila Group's shopping centres;
- Carmila benefits from the Carrefour group's network and knowledge of its catchment areas in order to identify off-market acquisition opportunities that will create value;

- Carmila also benefits from an efficient operational organisation relying on services provided by the Carrefour group under the terms of several agreements. This operating model helps to optimise costs and pool the expertise required to manage and enhance the value of the shopping centres. It aims to align the interests of both groups in projects jointly developed on their sites.

3.1.5.3 Principal agreements with Carrefour group entities

The Carmila Group and several entities of the Carrefour group have signed a partnership agreement, along with mandates and service arrangements allowing them to organise and implement their strategic partnership.

More specifically, these agreements consist mainly of:

(i) a partnership agreement;

(ii) mandates and service agreements granted by the Carrefour group to the Carmila Group;

(iii) mandates and service agreements granted by the Carmila Group to the Carrefour group.

(1) Partnership agreement

The purpose of this agreement is to create a partnership between the parties in France, Spain and Italy with a view to implementing a strategy to strengthen the appeal and optimise the value of the co-owned shopping centres. These assets may be altered or extended in accordance with the agreement.

Any new site developed jointly by the parties as well as any other commercial assets that may come to be co-owned by the parties will automatically fall within the scope of the agreement.

The agreement ceases to apply to any co-owned shopping centre in respect of which co-ownership units or volumes are no longer held by one of the two parties.

In this respect, the agreement determines:

- the terms and conditions for the renovation of co-owned shopping centres (a);
- the conditions for any developments of co-owned shopping centres (b);
- the modus operandi, reciprocal rights over the co-owned shopping centres and other rights (c).

Initially entered into on 16 April 2014 for a term of ten years, this agreement has been extended until **31 December 2027**.

a) Renovation projects

Renovations of all shopping centres for the first five years of the agreement starting 16 April 2014 ("initial refurbishments") were initially funded based on the parties' respective stakes in the common areas. Renovations after this period ("subsequent refurbishments") are paid for equally (50/50) by Carmila and the Carrefour group.

b) Development projects

The agreement sets out the main conditions applicable to a shopping centre development project, namely:

- each of the parties may propose to the other party the development (extension/restructuring) plans they wish to undertake for any co-owned shopping centre in order to enhance its value;
- the cost of the project is to be split equally between Carrefour and Carmila;
- the project margin is to be split equally between Carrefour and Carmila;
- to carry out the development project, the parties may choose to:
  - set up a 50-50 special-purpose vehicle,
  - use any other alternative method to ensure that the margin is shared equally;
- once the project has been jointly defined and the range of capitalisation rates determined, it is submitted to the decision-making bodies of Carrefour and Carmila for approval;
- once the pre-leasing phase has been deemed satisfactory by the parties and the capitalisation rate to be used for setting the price has been determined, the final project is submitted to the decision-making bodies of Carrefour and Carmila for final approval and project launch;
- when the land belongs to Carrefour, it is determined at €150/sq.m. for shopping centres and at €75/sq.m. for retail parks, each indexed to changes in the INSEE cost-of-construction index for the fourth quarter of 2013;
- for each development project, Carmila is responsible for marketing and leasing and Carrefour is responsible for supervising the works;
- the cost of building or renovating car parks for the purposes of a project is to be split equally between the parties;
- CPG, a subsidiary of Carrefour Property France, acts as project manager under delegated project management agreements;
- either party may freely decide not to participate in the development project. In this case, the other party may decide to proceed and finance the project alone, with the non-participating party agreeing to cooperate in good faith and not prevent the project from going ahead.

c) Other provisions

Right of first refusal

Carmila has a right of first refusal applicable in France, Spain and Italy in the event that Carrefour intends to sell, to a non-affiliated third party, directly or through a sale of shares:

- one or more shopping arcades adjoining a hypermarket;
- property assets of a hypermarket in a co-owned shopping centre;
- one or more properties for use as retail parks;
- a real estate complex including a shopping arcade and a hypermarket building.

Carrefour has a right of first refusal applicable in France, Spain and Italy in the event that Carmila intends to sell, to a non-affiliated third party, directly or through a sale of shares:

- one or more properties located in a co-owned shopping centre;
- a subsidiary of Carmila.

Priority right

Each of the parties undertakes to present to the other party any development project for an existing site located in France, Spain or Italy owned by one of the parties but falling outside the scope of the agreement, if:

- in the case of a priority right granted by Carrefour to Carmila, the development project includes the development or extension of a shopping arcade (or retail park) adjoining a hypermarket;
- in the case of a priority right granted by Carmila to Carrefour, the project includes the development or extension of a hypermarket.

In the same way, each of the parties undertakes to present to the other party any plan to develop new sites to be carried out in France, Spain or Italy on land to be acquired from a non-affiliated third party.

Other rights

- **Right of submission granted to Carrefour** by Carmila in the case of leases of premises used as a hypermarket, supermarket, hard discount grocery store, click-and-drive grocery store or any other business selling food on sites owned or developed by Carmila in France, Spain and Italy but not falling within the scope of the agreement.
- **Right of submission granted to Carrefour** by Carmila in the case of leases of premises not selling food (travel agencies, banking activities, etc.) in the co-owned shopping centres and with a surface area of less than 300 sq.m.
- **Reduction of the majority owner's voting rights in the volume division** in each co-owned shopping centre to the sum of the voting rights held by the other owners (co-ownership arrangement).
- **Non-competition obligation regarding food sales** applicable to Carmila in co-owned shopping centres for any premises with a gross leasable area (GLA) of more than 300 sq.m.
- **Ban on subdividing shopping arcades** in co-owned shopping centres.
- **Obligation for Carrefour to maintain access to the hypermarket** via the arcade for the co-owned shopping centres.
- **Obligation for Carmila to maintain the entrances to the arcade** in the co-owned shopping centres.

Partnership Committee

For the purposes of implementing the partnership agreement, the parties have agreed to set up a four-member Partnership Committee. Each party will appoint two members to the Committee, which will meet at least once every quarter or as needed in light of business developments.

This Committee, whose decisions require a unanimous vote of its members, with each representative having one vote, is notably responsible for implementing and conducting the renovation programme (initial and subsequent refurbishments) as well as all development projects.

(2) Mandates and service agreements awarded by the Carmila Group to the Carrefour group

The Carrefour group and its subsidiaries have been awarded several mandates and service agreements by Carmila Group entities. These were renewed for a period of five (5) years with effect from 1 January 2021 and relate in particular to:

a) France

Shopping centre management

Carrefour Property Gestion (CPG) has been awarded mandates to manage co-owned properties or other properties for urban property associations. The mandates have been approved by the general meetings of the sites concerned.

Carrefour Property Gestion (CPG) has delegated its mandate for managing the shopping centres on these sites to Almia Management, a subsidiary of the Carmila Group.

Under this mandate, Almia Management manages the day-to-day relations with the shopping centre's retailers, and in particular, ensures that they comply with applicable regulations, the terms of the lease and the Rules of Procedure. It is also in charge of representing landlords, marketing for the shopping centres and temporary exhibitions in the shopping arcades.

This delegated mandate was signed on 1 January 2020 for a period of two years, and has since been extended for a further three years, until 31 December 2025.

Leasing of shopping arcades

Almia Management provides leasing services for shopping arcades owned by Carrefour and its subsidiaries (Immobilière Carrefour, Carrefour Property France, etc.), under a five-year leasing mandate that took effect on 1 January 2021.

Specialty Leasing

Almia Management provides short-term leasing services for spaces in common areas or for common use and for shopping centre car parks, under a five-year mandate that took effect on 1 January 2021.

b) Spain

Carmila España provides services to Carrefour Property España under the following agreements:

Shopping centre marketing

Carmila España provides marketing services (communication, activities, events, etc.) for the shopping arcades owned by Carrefour Property España.

Leasing

Carrefour Property España has entered into an agreement with Carmila España with regard to the leasing or re-letting of premises owned by Carrefour Property España.

Specialty Leasing

Carrefour Property España has entered into a Specialty Leasing agreement with Carmila España for the short-term rental of spaces in common areas or for shared use and car parks in shopping centres.

These agreements took effect on 1 January 2021 and expire on 31 December 2025.

c) Italy

Carmila Italia provides various services to Carrefour Property Italia under the following agreements:

Leasing

Carrefour Property Italia has entered into an agreement with Carmila Italia with regard to the leasing or re-letting of premises owned by Carrefour Property Italia.

Shopping centre marketing

Carmila Italia also provides marketing services (communication, activities, events, etc.) for the shopping arcades owned by Carrefour Property Italia.

These agreements took effect on 1 January 2021 and expire on 31 December 2025.

(3) Mandates and service agreements awarded by the Carrefour group to the Carmila Group

Carrefour group entities provide various management and other services to the Carmila Group under agreements renewed for a period of five (5) years with effect from 1 January 2021. These agreements notably relate to:

a) France

Lease management and asset management

Carrefour Property France and its subsidiaries perform lease management and asset management services for all of the real estate assets that Carmila and its subsidiaries own or occupy under construction leases, long-term leases or financial leases with third parties.

In connection with each agreement, Carmila or one of its subsidiaries in France entrusts Carrefour Property Gestion or one of its subsidiaries to perform the following lease management services:

- keeping an updated list of tenants and their rental status;
- monitoring the insurance policies to be taken out by tenants;
- invoicing and collecting rents and related charges; and
- compiling and recording retailer sales.

With respect to asset management, each of the management agreements organises the performance of the following main services:

- assistance with the commercial optimisation of the real estate assets;
- assistance with managing relationships with service providers and partners, and with preparing, negotiating, and carrying out disposals of all or part of the real estate assets;
- inspections of premises and approvals for sales of businesses, lease rights, and subleases;
- assistance with development projects (in accordance with the terms of the Renovation and Development Agreement).

Leasing of supermarket shopping arcades

Carrefour Property Gestion provides leasing services for shopping arcades owned by Carmila France that adjoin a Carrefour group supermarket, under a five-year lease management agreement signed on 1 January 2021.

Subcontracting of invoicing for Specialty Leasing

On behalf of Carmila, Carrefour Property Gestion invoices tenants with short-term leases or agreements on common areas (or areas for common use) or car parks in shopping centres for rent and ancillary costs.

Service agreements

The Carmila Group has entered into several service agreements with the Carrefour group pursuant to which Carrefour or its affiliates undertake to provide assistance, advice, and other services to the Group and its subsidiaries relating to accounting, tax, legal, litigation, IT, administration, insurance and project management.

b) Spain

Carrefour Property España provides services to Carmila España under the following main agreements:

Technical assistance

Carrefour Property España provides Carmila España with technical assistance services under a dedicated agreement. This agreement covers the maintenance and upkeep of assets, as well as construction and restructuring (delegated project management).

Lease management and asset management

Carrefour Property España also provides lease management and asset management services on behalf of Carmila España, covering the same services as for France.

Services

Carmila España has entered into several service agreements with the Carrefour group pursuant to which Carrefour or its affiliates undertake to provide assistance, advice, and services to the Group and its subsidiaries relating to accounting, tax, legal, litigation, IT, administration, insurance and project management.

These agreements took effect on 1 January 2021 and expire on 31 December 2025.

c) Italy

Carrefour Property Italia provides services to Carmila Italia under the following main agreements:

Technical assistance

Carrefour Property Italia provides technical assistance to Carmila Italia under a dedicated agreement. This agreement covers the maintenance and upkeep of assets, as well as construction and restructuring (delegated project management).

Lease management and asset management

Carrefour Property Italia provides lease management and asset management services on behalf of Carmila Italia, covering the same services as for France.

Services

Carmila Italia has entered into several service agreements with the Carrefour group pursuant to which Carrefour or its affiliates undertake to provide assistance, advice, and services to the Group and its subsidiaries relating to accounting, tax, legal, litigation, IT, administration, insurance and project management.

These agreements took effect on 1 January 2021 and expire on 31 December 2025.

3.1.6 Information systems

The Carrefour group provides IT services to the Carmila Group. It provides Carmila with IT infrastructure (hardware, network, telephones, etc.) as well as applications used across the business (general accounting, human resources).

Carrefour Property's Data Systems Innovation department assists the Carmila Group in developing the strategy for the information systems provided by Carrefour, and also coordinates and supervises that strategy. It also implements IT projects and manages information system resources and budgets. The IT department is involved in the conceptual design and architecture of the Carmila Group's projects and is involved in the preparatory phases of the projects in order to (i) identify projects' inherent risks, in particular risks relating to data protection, and (ii) define the security requirements and actions to be integrated into the project.

Finally, Carmila's Digital Marketing and Business Development departments develop specific business applications independently, assisted by Carrefour's Architecture, Technology and Security department ("DATS") where necessary. DATS also carries out awareness-raising activities on information security risks which take the form of training courses and security simulations (phishing campaigns, etc.).

3.1.6.1 Operating systems

The Carrefour group's Real Estate department has developed specific IT systems for analytical and reporting purposes, based on the lease and property management application Altaïx and the data reporting and display application Qlikview.

These reporting tools are used to coordinate:

- lease management activities (tenant relations), via different business-specific indicators such as vacancies, unpaid rent, rental status, tracking of movements, lease expiration, mapping of certain indicators with targeted scaled plans, etc.;
- property management activities (management of service charges for common areas), via indicators such as budget tracking, benchmarking of charges and monitoring of supplier invoices.

3.1.6.2 Other applications and information systems

The Carmila Group also uses PeopleSoft, GED Invoices and Exabanque applications and operating systems for finance and accounting management as well as financial reporting and consolidation.

Carmila is preparing to migrate its accounting ERP from PeopleSoft to SAP in 2023.

The other main applications and systems used by the Carmila Group are Eurecia and Hypervision for human resources management, Altaïx for assistance with various property management tasks, and My J'Aide for archiving and communications.

3.1.6.3 IT system service continuity

Significant security measures are put in place to protect back-ups and ensure the security of systems, applications and data relating to the Carmila Group and its customers. Utmost attention is paid to system security and personal data protection against risks of destruction, tampering, theft and fraudulent or malicious use.

3.2 Risk factors

Investors should consider all of the information set forth in this document, including the following risk factors. These risks are, as of the date of this document, those which the Group considers would be likely to have a material adverse effect on the Group, its business, financial position, result of operations or outlook, should they occur.

The Group is exposed to different risks that may have a material effect on its business, financial position or result of operations. The risk mapping is presented to and approved by the Audit Committee every year, which verifies the comprehensiveness of risk monitoring and oversees risk management. The risk mapping can be updated according to cyclical or structural developments (emergence of new risks or changes in the level of risk).

In accordance with the Prospectus Regulation (PD3)[1] that was adopted in June 2017 by the European Parliament and entered into force on 21 July 2019, 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 matrix below based on their estimated "net" impact in terms of both severity and occurrence, i.e., after considering all of the measures taken by the Group to manage them along with any internal and external factors that mitigate the risks.

Carmila has identified 13 specific and major risks, which are ranked and presented based on their probability of occurrence and potential impact. These risks are organised into five categories, as follows:

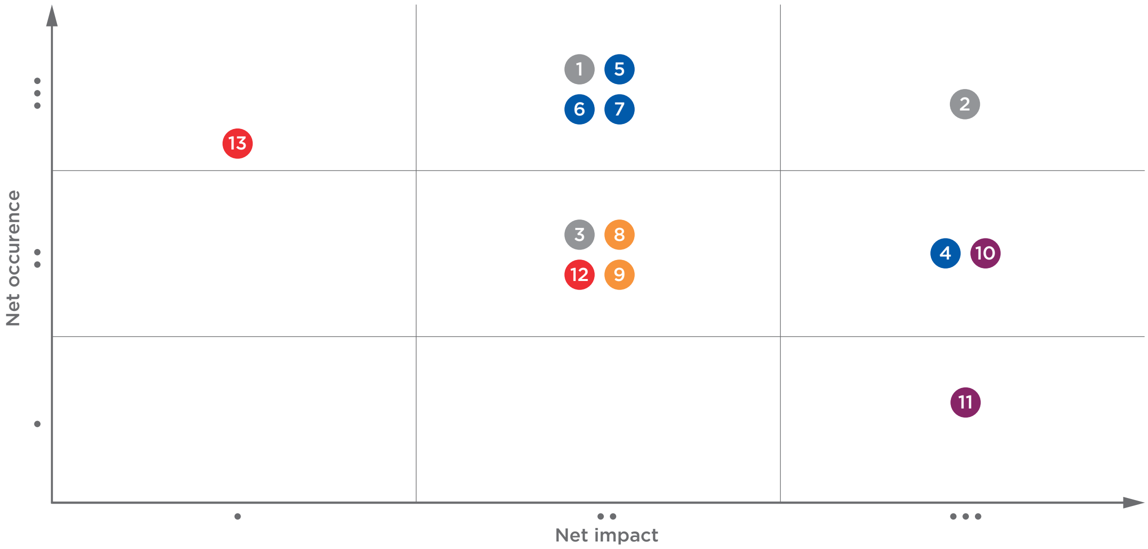
- risks relating to Carmila's business sector;
- risks relating to Carmila's business;
- regulatory, legal and tax risks;
- financial risks;
- environmental and societal risks.

Carmila's risk mapping covers risks related to Corporate Social Responsibility. Each risk is referenced in the matrix below and discussed in more detail in Chapter 4 of this Universal Registration Document.

(1) *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.*

3.2.1 Risk matrix

Mapping of risks based on their probability of occurrence and net impact



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 (incl. risk CSR 7)
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 (incl. risks CSR 6 and 8)
5. Relationship with and exposure to retail brands, counterparty risk (incl. risk CSR 6)
6. Property development (incl. risks CSR 6, 7 and 11)
7. IT system security and data privacy

CATEGORY 3: LEGAL AND ETHICAL RISKS

8. Regulatory and legal developments
9. Ethical, corruption and fraud risks (incl. risks CSR 11 and 12)

CATEGORY 4: FINANCIAL RISKS

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

CATEGORY 5: ENVIRONMENTAL, CLIMATE AND SOCIETAL RISKS

12. Environmental, climate and societal issues (incl. risks CSR 1, 2, 3, 4, 5 and 7)
13. Talent management and engagement (recruitment, retention and succession) (incl. risks CSR 9 and 10)

		Net impact	Net occurrence
CARMILA'S BUSINESS SECTOR	1 – Trends in the commercial real estate market	●●	●●●
	2 – Trends in the socio-economic and competitive environment	●●●	●●●
	3 – Geopolitical environment	●●	●●
CARMILA'S BUSINESS	4 - Health (incl. health risk), well-being, safety and security	●●●	●●
	5 – Relationship with and exposure to retailers; counterparty risk	●●	●●●
	6 – Property development	●●	●●●
	7 – Information systems security and personal data protection	●●	●●●
LEGAL & ETHICAL	8 – Regulatory and legal developments	●●	●●
	9 – Ethics-, corruption- and fraud-based risks	●●	●●
FINANCIAL	10 – Cost of and access to financing and financial markets	●●●	●●
	11 – Taxation and REIT, SIIC and SOCIMI regimes	●●●	●
ENVIRONMENTAL & SOCIETAL	12 – Environmental, climate and societal issues	●●	●●
	13 – Talent management and engagement (recruitment, retention and succession)	●	●●●

3.2.2 Risks relating to Carmila's business sector

1. Trends in the commercial real estate market ●●● ●●

Risk identification and description

Market conditions impacted over the long term by negative expectations about the future of shopping centres could lead to a decline in the value of the Group's assets, and particularly in their appraisal values, if appraisers take into consideration increases in capitalisation rates and/or in discount rates for projected future cash flows, or if future cash flows are revised downwards. Appraisal values are reassessed by independent appraisers every six months.

A drop in liquidity on the real estate transaction market resulting from a decline in investor interest in the shopping centre asset class could also affect the value of the assets.

As a result, the Company could see a decline in its ability to finance its growth through the disposal of assets, use of new financing or placement of new shares on the market.

Risk control and mitigation

The Group has put together multi-disciplinary teams specialised in managing shopping centres adjoining hypermarkets located in the heart of local communities in France, Spain and Italy.

These teams work on bolstering the attractiveness and value of Carmila's shopping centres by actively managing the retail offering, engaging in marketing, and implementing targeted asset management initiatives.

These initiatives aim to increase the attractiveness of Carmila's shopping centres, draw more visitors and boost retailer sales.

They help to:

- safeguard the yield on its assets by sustaining occupancy rates and the market level of rent;
- be selective in terms of which assets the Group purchases and keeps, in order to ensure a high-quality, attractive portfolio;
- implement asset management initiatives (refurbishments, restructurings, extensions) that help increase the assets' value.

The Group's rental values are resilient due to the terms of the commercial leases signed in the three countries (between 5 and 12 years), which guarantee rental income and provide the Group with good visibility as to future cash flows; this is further supported by domestic legislation that protects the lessor in the event of unpaid rents, particularly in France.

Lastly, the geographic distribution of Carmila's portfolio exposes it to different investment markets that may behave differently.

2. Trends in the socio-economic and competitive environment

Risk identification and description

Since the business of retailers in shopping centres and that of Carmila (indirectly) relates to consumer spending, this business could fall in the event of:

- insufficiently dynamic population growth;
- a slowdown in the economy and higher unemployment;
- an actual or perceived reduction in households' purchasing power, leading to a subsequent decline in consumption;
- a major crisis that seriously disrupts society and the economy;
- inflation (6.9% in the past year according to figures published by INSEE on 30 November 2022), which may have a direct impact on the average basket of consumers and the frequency with which they purchase, and therefore indirectly impact the sales generated by Carmila's tenants.

In addition, the shopping centres' business could also be affected by competitive factors such as:

- new modes of consumption (e-commerce, drive-through, etc.) and trends ("deconsumerism", growth in the second-hand market, etc.);
- a failure to adequately anticipate its competitors' initiatives;
- an unsuccessful marketing and/or leasing strategy;
- a decline in the leadership of certain assets.

For Carmila, such a situation could lead to:

- a decline in the attractiveness of its shopping centres;
- an increase in the number of retailers in difficulty;
- a decline in the occupancy rate of its shopping centres;
- a fall in market rent and in gross rent collected;
- a reduction in the rental base leading to a decrease in the value of the Group's assets.

Risk control and mitigation

In this context, Carmila's positioning affords it a certain degree of protection:

- Carmila's assets have always been embedded in their regions and an integral part of the local economic fabric. These are local assets, both in the geographic sense and in terms of use.
- As the centres adjoin a food powerhouse, they are guaranteed regular footfall. On the other hand, these food powerhouses have implemented a strong pricing policy in response to this period of high inflation (dynamic promotional policy and pricing policy for everyday goods).
- The sites' local roots and the teams on the ground ensure familiarity with the shopping centre among visitors and make them a partner for local authorities and organisations.
- The goods and services offering of Carmila's shopping centres is continually being adapted to meet the real or perceived needs of customers and residents in the catchment area. The shopping centres offer a convenient, practical solution that satisfies essential daily needs (food, supplies, services), with suitable products at appropriate prices.
- Carmila has an internal department conducting studies of customers and residents in the catchment area to understand their needs and views, and adapts the offering of each centre accordingly.
- The leasing and asset management teams adapt the merchandise mix of each shopping centre to changing national and local consumer trends, identifying new retail brands and new purchasing habits.
- The expansion of Specialty Leasing and Pop-Up Stores allows Carmila to adapt to new trends more rapidly.
- A web-to-store approach has been developed by Carmila's digital marketing teams, who have built up well-regarded expertise in this area along with effective tools. This approach is designed to highlight the competitive advantages of the shopping centres, such as meeting immediate purchasing needs, grouping several types of purchases for click and collect, developing complementary and horizontal sales, creating familiarity with the site, and in particular offering easy access and free parking.

In terms of competition:

- Thanks to the history of the Carrefour group, Carmila's centres have historically occupied the position of leader or joint leader in their catchment area in the vast majority of cases.
- Carmila regularly assesses the satisfaction of its shopping centre customers and retailers through customer surveys and mystery shoppers, and analysis of residents in the catchment area who are not yet customers, developing digital marketing tools to draw them in and encourage them to visit the centres.
- Carmila is diligent about maintaining the quality of its shopping centres from an architectural, technical and health perspective, strengthening their competitive position through extensions and refurbishments, and adapting the retail offering to the specific needs of each catchment area. Carmila's leasing teams are therefore based within each region so that they can develop appropriate retail solutions for each shopping centre.
- Carmila's leasing and asset management teams anticipate local competitive developments and adjust the retail offering, trade channels and advertising plans accordingly. They constantly look to identify the retail brands and activities best suited to the needs of each area, the size of the centre and the competitive environment.
- Carmila rolls out local digital marketing initiatives targeting retailers (B2B) and customers (B2C) throughout the year. These initiatives aim to boost the appeal of each shopping centre and increase retailer sales.

3. Geopolitical environment	●● ●●
Risk identification and description Carmila conducts its business and has shopping centres in three countries in Europe, and could therefore be exposed to risks relating to: • loss of value or revenue due to excessive concentration in a given country or region; • country-specific socio-economic risks; • a conflict in Europe with significant repercussions on supply chains (lead times and procurement costs of building materials, equipment for shopping centres, etc.), interest and exchange rates, and inflation.	**Risk control and mitigation** • Carmila's presence in eurozone countries (France, Spain and Italy) ensures greater economic stability. • The portfolio consists of 208 shopping centres distributed across France, Spain and northern Italy. • Carmila's portfolio is made up of diverse types of shopping centres that vary based on the size of the surrounding catchment areas. • These include all types of major regional shopping centres (80 to 150 stores), large shopping centres (40 to 79 stores) and local shopping centres (20 to 39 stores), with no significant unit exposure to supra-regional sites (more than 150 stores). • Carmila's unit exposure is weakly concentrated: Group-wide, the geographic distribution of the portfolio greatly reduces this risk. At 31 December 2022, Carmila's largest asset represented 4.6% of the portfolio's value including transfer taxes and 4.1% of annualised net rental income from leases. • Procurement risk is hedged by forward purchases and the firepower of the Carrefour group. • The Group has put in place standardised procedures applicable to tendering processes for construction contractors and service providers, with only reputed, first-rate service providers selected.

3.2.3 Risks relating to Carmila's business

4. Health (including health risks), well-being, safety and security	●● ●●●
Risk identification and description • Firstly, the Group is subject to various obligations in connection with the operation of its shopping centres, particularly those related to buildings open to the public ("ERPs"). • A major health crisis, such as the Covid-19 crisis, is likely to have a lasting and profound impact on the business of one or more geographical areas, to an extent which is difficult to predict. Such a crisis could disrupt the operation of shopping centres owned by the Group. Regulatory or legislative measures resulting from such a crisis could impact the usual access of visitors, employees, service providers or suppliers to the shopping centres. These same measures could also change how the management or support functions carry out their duties at the Group's head offices. • In addition, the ramp-up of terrorist acts in Europe increases the risks in all buildings open to the public and requires those buildings to implement procedures that adjust to these changing circumstances. • Carmila may also be exposed to natural disaster risks in its shopping centres that could cause harm to its customers, its retailers and its employees.	**Risk control and mitigation** As buildings open to the public are subject to specific regulations regarding safety, accessibility and fire procedures, the following measures are in place: • legal and real estate operations teams constantly monitor any changes in laws and regulations resulting from government, local authorities (prefectures, departmental fire and rescue services) and professional bodies (the French shopping centre trade body [FAC], etc.); • legal and real estate operations teams participate in official working groups in charge of drawing up or updating directives or regulatory requirements; • the latest regulatory requirements (Construction and Housing Code, accessibility regulations, etc.) are incorporated into the building design; • multi-year investment budgets are drawn up, anticipating statutory periodic inspections or routine maintenance works for buildings and equipment in particular; • only service providers accredited for buildings open to the public (ERP) are used; • safety committees are prepared upstream with all stakeholders concerned. These procedures are implemented by specialised teams, assisted by the local on-site teams (managers of shopping centres and real estate operations, safety and security staff, etc.). The geographic diversity of Carmila's portfolio (208 sites, three countries) allows these risks to be mitigated for the Group as a whole. No single site represents a material exposure for the Group within the portfolio. In order to respond to an exceptional health crisis risk such as the Covid-19 pandemic, a Business Continuity Plan (BCP) has been designed. The BCP includes: • a list and analysis of the activities and functions deemed essential for the Company to continue operating during a crisis;

- a list of identified measures implemented to ensure that these essential activities and functions can continue to operate, including:
  - identifying the employees responsible for implementing and managing these measures in real time, as well as employees capable of replacing them where necessary,
  - defining alternative modus operandi enabling the business to continue operating, such as:
    - multi-skilled teams able to remain on-site and essential if those sites are to continue operating,
    - remote working, with almost all employees equipped with a laptop and secure remote access to servers and business software,
  - a pooled crisis unit, responsible for coordinating crisis initiatives and comprising all functions deemed essential for the Company to continue operating,
  - the conditions and procedures for resuming normal activity after the crisis;
- in addition, to ensure that the health measures put in place in its centres and head offices comply with government regulations, Carmila commissioned Afnor to carry out an audit of its Covid prevention system, as a result of which it was awarded the "Covid-19 Hygiene Measures verified by Afnor group" certification for all its sites.

Health measures began to be wound down as from 14 March 2022, as the Covid crisis eased:

- masks no longer compulsory;
- company health measures no longer apply.

In order to mitigate terrorism risks and their consequences, Carmila has rolled out the following procedures for coordinating the actions of the different departments in implementing preventive measures (defining operating and emergency procedures, training, etc.) and protective measures:

- regular and special audits of sites and preventive systems;
- initial and ongoing training for all stakeholders, especially staff in charge of implementing and monitoring on-site safety and security procedures;
- formalised emergency procedures for the main security, safety and health risks;
- ongoing review and improvement of procedures.

Lastly, Carmila has a strong financial profile with significant undrawn credit facilities and access to the banking, bond and commercial paper markets. This enables it to meet any short-term liquidity needs it may have as a result of any such crisis.

5. Relationship with and exposure to retail brands, counterparty risks

Risk identification and description

The business and success of Carmila's shopping centres largely reside in the teams' ability to choose the best retail brands and activities for the catchment area, in order to preserve the attractiveness of each centre.

Carmila may also be faced with, or may have to anticipate, a loss in its retail brands' commercial appeal. At a time when customers are increasingly seeking variety, change and innovation, some retail brands might not be able to adapt their concept quickly enough and would therefore lose attractiveness and sales.

An optimum selection of brands and retailers, and their good fit with the local area, are key to helping Carmila's business thrive, as they impact:

- the default rate of the retail brands and the bad debt rate;
- a risk for some lessees of insolvency, receivership or liquidation;
- a decline in occupancy rates;
- footfall, attractiveness and retailer sales in the shopping centres;
- the leadership of the shopping centre;
- the value of Carmila's assets over time.

As a result of its strategic partnership with the Carrefour group, Carmila is also exposed to the risks associated with this partnership and the counterparty risk vis-à-vis its partner.

Risk control and mitigation

Since its inception, Carmila has sought out diverse activities and retail brands for its shopping centres, adapting its merchandising mix to the size of each centre, to local needs and to the competitive environment.

This policy is based on:

- regional teams who tailor the leasing activities to each site and select retailers locally to round out the portfolio of national and international brands;
- Carmila's Survey department, which conducts in-depth analyses to provide detailed information about the customers and residents of the catchment area by profile category;
- particular care taken to have a broad range of activities and retail brands, in order to reduce the risk of dependency;
- thorough monitoring of lessees and potential lessees via:
  - upstream analysis of prospective tenants (creditworthiness, reputation survey),
  - a collective decision-making process for selecting tenants and signing new leases,
  - ongoing monitoring (monitoring on the ground, monthly review of trading, receivables monitoring committees, support for struggling lessees, etc.),
  - monthly monitoring of key indicators of retailer health by the Executive Committee,
  - corrective action or supportive measures;
- a B2B and B2C local digital marketing strategy that is implemented across the shopping centres and aims to help retailers grow their business thanks to tools that provide local information about the catchment area (databases, surveys of customers and prospective customers, and so on);
- initial and ongoing training sessions which are provided to the teams concerned in order to keep them abreast of any regulatory or legislative changes specific to leases;
- a legal team which is responsible for drafting leases, monitoring regulations and implementing legislative changes in this area;
- the structure and term of commercial leases, which offer Carmila stability and good visibility as to the collection of its rent, as the vast majority of leases feature minimum guaranteed rent;
- leases which provide that any disputes or litigation shall be heard in France.

Carrefour is Carmila's partner of choice. To ensure that their partnership is effective, the following main procedures have been put in place since 2014:

- contractual relationships with Carrefour are systematically formalised (Renovation and Development Agreement, service agreements, management mandates, etc.), with detailed information on these contractual dealings published every year by Carmila and overseen by the Board of Directors;
- Carrefour's and Carmila's interests are aligned (shared margin on development projects, joint investments, etc.);
- the majority of the members of Carmila's Board of Directors are independent;
- decision-making for investments (Strategy and Investment Committee) is independent. The Directors representing Carrefour do not vote on decisions involving Carrefour (joint investments, contract renewals, etc.);
- the share of Carrefour rents in Carmila's portfolio is low, i.e., less than 1% of Carmila's total net rental income;
- support function activities are regularly benchmarked to ensure that the cost of the services provided is competitive.

Furthermore, Carmila reduces its dependence on Carrefour and increases the retail attractiveness of its sites by installing in its shopping centres other well-known and successful complementary brands wherever possible.

6. Property development

Risk identification and description

Carmila develops a large portfolio of shopping centre extensions in partnership with Carrefour.

This development activity exposes Carmila to the usual risks associated with property development:

- operational risks related to the management of construction, renovation, restructuring and extension projects on shopping centres (quality of works, lead times, safety), the procurement of permits and project management liability;
- failure to meet leasing targets;
- risks related to the financial profitability of the projects, and to acquisitions and investments;
- legal risks associated with development projects (urban planning law, construction law, etc.);
- CSR risks in construction projects (environment, relations with local residents, service providers, suppliers, procurement, etc.).

Carmila may also have to face a conflict in Europe, for example with significant repercussions on supply chains (lead times, procurement costs and/or availability of building materials, shopping centre equipment, etc.) and inflation.

Risk control and mitigation

The main systems and procedures to mitigate these risks are implemented throughout the development of the project:

- all projects must be approved by an Investment Committee;
- for joint projects with Carrefour, each developer's decision-making is independent (Strategy and Investment Committee at Carmila; Investment Committee at the Carrefour group). Every phase in the project (analysis, permit application, start of work) involves a decision by each of these committees;
- the status of the project, its compliance with budget and deadlines and its results are monitored throughout its development by the Strategy and Investment Committee. In the case of joint projects, both partners are responsible;
- technical and financial feasibility studies and analyses are completed upstream by Carmila, Carrefour Property and Carrefour group teams, supported by external specialist firms;
- a dedicated legal team continually monitors any developments in legislation and/or regulations concerning public-access buildings, urban planning and construction;
- Carmila draws on Carrefour Property's construction experts to manage the design specifications, ensure strict compliance with regulations and safety rules, and maintain a tight rein on construction and renovation costs. These experts also ensure that Carmila's environmental charter and regulations applicable to owners are respected;
- the Group has put in place standardised procedures applicable to tendering processes for construction contractors and service providers, with only reputed, first-rate service providers selected;
- a pre-leasing rate of 60% must be met before any construction work begins;
- Carmila has a dedicated CSR department which ensures responsible practices in terms of purchasing, stakeholder due diligence, dialogue with customers, contact people in the catchment area, and so on. Its CSR policy anticipates future legislative changes in the areas of environment, ethics, health and safety, working conditions and climate;
- the Group's liability is covered by adequate insurance and guarantees.

7. Information systems security and personal data protection	●●● ●●
Risk identification and description	**Risk control and mitigation**

Risk identification and description

Information and telecommunications systems are pivotal to the Group's daily business, transaction execution, continued development of new tools, data storage, and communication between its teams and stakeholders. In this regard, Carmila is exposed to:

- risk of information system failure;
- risk of an attack on its systems that could impact Carmila's business continuity or image;
- risk of fraud related to the information systems.

Carmila maintains databases in line with its business needs. These databases store:

- information on customers and visitors within the framework of its digital marketing activities;
- information on employees within the framework of HR management;
- information on other stakeholders enabling it to communicate with those stakeholders and carry out day-to-day transactions (suppliers, investors, tenants, etc.).

Stricter data protection regulations have led to an increased risk (e.g., of non-compliance, data hacking), and require efficient procedures to be put in place to protect information systems and particularly databases developed by Carmila containing information on customers, service providers and employees.

Improper application of the regulations in force (especially the General Data Protection Regulation, or GDPR) could have operational and financial consequences for the Group, and could also harm its reputation.

Risk control and mitigation

Carmila uses Carrefour's information systems organisation model so as to benefit from the stringent IT security standards of a conglomerate and to pool resources and expertise.

Carmila can therefore draw on the expertise of:

- Carrefour's Architecture, Technology and Security department (DATS);
- Carrefour Property's Data Systems Innovation department;
- a dedicated information systems security officer.

The department implements the Carrefour group's procedures regarding:

- data security, applications, systems and hardware. These are regularly updated in order to remain in step with the fast-changing environment;
- regular system updates and audits;
- awareness-raising and training for users;
- multi-annual reviews of access rights;
- annual tests on work stations, applications and systems;
- contractual obligations applicable to suppliers (e.g., Cybervadis, penetration tests, etc.).

Across Carmila, the department also adapts and develops:

- formalised business continuity plans that are tested annually;
- obligations with regard to disclosure, through measures to monitor applicable data protection regulations;
- initial and ongoing in-class and online training sessions for teams in information system security.

All new employees receive an IT Charter and are briefed on best information system security practices throughout the year.

Carmila has put in place appropriate governance, in compliance with applicable legislation on data protection:

- an external Data Protection Officer (DPO) has been appointed to (i) inform and advise the Group on the General Data Protection Regulation (GDPR), (ii) monitor compliance, and (iii) liaise with the relevant authorities (CNIL);
- Carmila has appointed a person who is responsible for implementing and monitoring data protection obligations. The person liaises with Carrefour's legal experts;
- sensitive data are identified regularly and processing records are kept up-to-date;
- the data collection procedure is GDPR-compliant;
- awareness-raising and training sessions are periodically organised for data users.

External service providers are subject to GDPR obligations, either via a specific clause in their contract, or an amendment if the contract was signed before the GDPR came into force.

3.2.4 Legal and ethical risks

8. Regulatory and legal developments

Risk identification and description

Carmila's business and geographical locations expose it to various legal and regulatory obligations, including:

- various administrative permits that must be obtained for projects and activities;
- other permits, licences and professional accreditations (co-ownership, leasing, property and rental management, etc.);
- regulations relating to urban planning, construction, health and safety and public-access buildings;
- financial and tax regulations;
- personal data protection regulations;
- extra-territorial laws, etc.

Failure to comply with these obligations may expose Carmila to:

- administrative, financial or criminal penalties;
- the loss of licences, professional accreditations, etc., thereby preventing the conduct of some of its activities;
- damage to its image and reputation;
- loss of confidence of its partners, tenants, suppliers and/or customers.

A major Covid-19-style crisis could lead to many new regulations in a broad spectrum of areas in the three countries where Carmila operates (health and safety, business relations and human resources), thereby exposing the Company and its partners to a greater risk of infringement leading to:

- administrative, financial or criminal penalties;
- closure of establishment(s).

Risk control and mitigation

Carmila takes certain measures which enable it to reduce the probability that these risks will occur:

- it consults a legal team specialised in property law at Carrefour Property;
- legal specialists (urban planning, construction, commercial leases, acquisitions, etc.) working for Carmila, Carrefour Property and Carrefour, along with outside experts and consultants, constantly monitor changes in regulations;
- Carmila's teams have a local presence in each of the three countries where it operates, and especially in the heart of regions and towns/cities. Close relations with local stakeholders help Carmila anticipate changes in local and regional regulations;
- Carmila anticipates and participates in developing urban planning documents (e.g., local development plans) in conjunction with the competent authorities;
- experts within the project development and real estate operations teams perform a detailed analysis of urban planning documents and regulations prior to the launch of any project;
- a safety committee management and reporting tool is integrated within the BTER property management platform so that all such reports are available in electronic format;
- teams receive initial and ongoing training to ensure that they keep abreast of changes in laws and regulations relating to their particular business line, along with changes in the regulatory environment and the impact of those changes, especially for the development of commercial assets and buildings open to the public;
- Carmila is also a member of leading industry organisations (FAC, the French federation of property companies [FEI]), whose role includes monitoring and anticipating changes in laws and regulations and representing the views of their members;
- Carmila actively participates in ongoing bilateral and industry analyses and discussions (the French trade federation [*Fédération des Acteurs de Commerce*], the French federation of real estate companies ([*Fédération des Entreprises de l'Immobilier*], and equivalent Spanish and Italian real estate organisations) with retailers on the legal framework for their collaboration;
- in the event of legal and regulatory instability resulting from a Covid-19-style crisis, a legal intelligence unit and toolkit have been set up to enable Carmila to adapt and respond to the evolving situation in real time.

9. Ethics-, corruption- and fraud-based risks

Risk identification and description

Due to the nature of its business, Carmila operates in three countries with different regulations and with numerous third parties and partners of all kinds, including private and public intermediaries, business partners and elected representatives.

Consequently, if Carmila's organisation were to fail in the fight against unethical practices, fraud, money laundering, corruption and influence peddling, it would be exposed to:

- financial, disciplinary or administrative penalties imposed by national or international authorities;
- a negative impact on the confidence of investors, partners, tenants and customers;
- the risk of fraud or embezzlement and an inability to detect such incidences in the course of its business.

Risk control and mitigation

Carmila's strategy is based on the due and proper application of the procedures in place, which include:

- a collective strategic decision-making process (finance committees);
- delegation to correspondents, who are responsible for the consistent implementation of Group policies (each manager is responsible for carrying out the checks falling within his or her remit);
- the segregation of functions, with operational roles kept entirely separate from validation roles;
- the existence of three levels of control: level 1 – assessment by employees and their managers; level 2 – assessment by permanent control functions that are independent of level 1 control processes and operational teams; level 3 – assessment by the Finance department;
- a whistleblowing system for collecting and analysing both internal and external ethical alerts, and for following up on those cases where necessary (investigation) in order to deploy remedial measures and sanctions (e.g., dismissal, filing of a complaint) where necessary.

Furthermore, in order to protect itself against these risks, Carmila has appointed a head of internal control and compliance (reporting to Group Executive Management), whose role is to:

- implement procedures and ensure that they are applied correctly;
- train and raise awareness amongst exposed employees and stakeholders on these issues every year.

All business line procedures and associated rules regarding corruption, fraud and money laundering are set out in manuals which describe each function as well as the rules of conduct and main procedures applicable to each business line.

Every year, all of Carmila's exposed employees are required to sign a Statement of Independence and, where necessary, a Review of Interests.

Training on best practices in terms of fighting fraud, corruption and influence peddling is provided each year to the Executive Committee, and to all exposed employees and new joiners. A digital version is permanently available online for all employees. Lastly, the anti-corruption best practice guide is also permanently available online on the Group's intranet home page.

3.2.5 Financial risks

10. Cost of and access to financing and financial markets

Risk identification and description

Carmila may encounter difficulties in accessing financing in the following situations:

- bank debt, bond or private borrowing and commercial paper markets may shut down;
- Carmila's debt level (loan-to-value) may be considered excessive;
- financing agreements may include restrictive covenants;
- Carmila's ability to access the financial and derivatives markets may be restricted;
- investors may lose their appetite for the retail property sector;
- there may be a crisis in equity markets;
- risks may arise on hedges and on counterparties to financial instruments;
- Carmila's debt may be downgraded;
- there may be a significant discount in the Group's NAV (net asset value) compared to its share price.

These difficulties could reduce the Group's capacity to finance its growth.

Carmila could also face an increase in its financing costs as a result of:

- a rise in bond and bank interest rates, or in the cost of hedging;
- a downgrade of its debt;
- a deterioration in the derivatives market and an increase in counterparty risk on derivative instruments;
- geopolitical and economic pressures generating volatility in interest rates, and therefore in financing costs.

Risk control and mitigation

Carmila reduces the risks associated with its financing requirements by:

- diversifying its sources of financing and maintaining good relations with leading banks;
- maintaining regular contact with financial markets through transparent and high-quality reporting;
- monitoring markets on an ongoing basis in order to identify any upcoming opportunities.

Carmila also benefits from:

- the bond market, to which Carmila has had access since its creation;
- an investment grade rating (BBB);
- a €600 million commercial paper programme;
- undrawn revolving credit lines;
- its ability to sell mature assets – either on a standalone basis or as part of a portfolio.

Carmila could also pay part of its dividend in shares in order to increase its available cash.

Carmila can also postpone its investments without modifying its cash flows.

With regard to the risk of an increase in its financing costs, Carmila's assets generate revenues which are indexed to inflation, thereby creating a natural hedge against a sharp rise in interest rates that would be likely to result from higher inflation.

In addition, Carmila:

- has long-term financing lines, mainly at fixed rates, or swapped to fixed rates, which protect against a sharp and/or sudden rise in interest rates;
- constantly monitors funding opportunities in markets where interest rates may tighten;
- has a Euro Medium Term Notes (EMTN) programme, representing €1,500 million in 2019, which enables Carmila to rapidly access debt markets (facilitated by its transparent and high-quality reporting to the financial markets and rating agencies since its creation).

Carmila can also tap into alternative sources of financing to fund its growth, where conditions are more attractive (shares, disposal of assets, free cash flow).

11. Taxation and REIT, SIIC and SOCIMI regimes

Risk identification and description

As a listed real estate company benefiting from special REIT tax regimes in France (where it is known as an "SIIC") and Spain (where it is known as an "SOCIMI"), Carmila is very sensitive to any changes in regulations that may concern these regimes.

Risk control and mitigation

- Carmila is also a member of leading industry organisations (FEI, EPRA), whose role includes monitoring and anticipating changes in laws and regulations and representing the views of their members. These organisations coordinate clear and transparent industry statements regarding the contribution of REITs to the economy in both France and Europe (creation of direct and indirect jobs, value creation, contribution to stock markets, etc.).
- EPRA, the European Public Real Estate Association, aims to develop the REIT regime in all European countries in order to create a dynamic sector on the stock market on a European scale.

Carmila also regularly monitors tax rules and any changes in those rules, and ensures that the Group complies with its obligations as an REIT.

3.2.6 Environmental, climate and societal risks

12. Environmental, climate and societal issues

Risk identification and description

Environmental, climate and societal concerns are at the heart of Carmila's business model. Failure to consider these matters would expose the Group to the risks described below.

Environment

- Waste: poor waste management would lead to regulatory and financial risks for Carmila.
- Biodiversity: questions of a link between the Group's new projects and biodiversity damage and/or land degradation would raise risks of local communities finding projects unacceptable and project development being refused.
- Water: irresponsible use of water or water pollution would present financial risks (direct costs) and restrictions on the use of this resource.

Climate and resilience

- The increased severity and frequency of extreme weather events would give rise to a direct and indirect financial risk if the Group's assets were to prove insufficiently resilient.
- Greenhouse gas emissions aggravate climate risks, leading to tensions around fossil fuels, with repercussions on operating costs, sourcing capacities and financial difficulties.

Societal

- Weak local and regional ties would compromise retailer prosperity, visitor traffic and Carmila's activity (low attractiveness, difficulties in having projects accepted, etc.).

Risk control and mitigation

To protect itself against these risks, Carmila has put in place the following measures, which are discussed in further detail in Chapter 4 of this Universal Registration Document:

Upstream

- The risks, their assessment and the procedures for preventing them are reviewed each year (Audit and CSR committees) to ensure that the risk management system is effective and to comply with the requirements of the Non-Financial Statement.
- Carmila has mapped non-financial risks involving all the business lines. This mapping was updated in 2022 by the CSR and Internal Control departments and validated by the Audit Committee.

Environment

Carmila endeavours to adopt a more frugal approach to the use of resources, notably by:

- increasing waste recovery as part of a circular economy approach;
- protecting biodiversity;
- optimising water consumption.

Climate and resilience

To step up action to combat climate change, Carmila will focus particularly on:

- developing a low-carbon strategy;
- consolidating and continuing reductions in energy consumption;
- promoting eco-mobility.

Improving the resilience of its assets and their "green" value is a priority and a necessity for Carmila, which has chosen to:

- set up a climate resilience action plan;
- extend the scope of certifications.

In this regard, Carmila has set itself the objective of achieving net zero greenhouse gas emissions by 2030, by gradually reducing its consumption, prioritising renewable energy sources and offsetting the residual emissions it is unable to eliminate.

Societal

Carmila supports the local economy, which not only affects its retailers but also its visitors and all local partners. Carmila assumes its responsibility in the regions where it operates by stepping up its actions in terms of:

- employment;
- community initiatives;
- the responsible second-hand market;
- a high-quality dialogue with retailers and customers;
- awareness-raising activities on sustainable development.

13. Talent management and engagement (recruitment, retention and succession)	●●● ●

Risk identification and description
The quality of recruitment in a highly competitive environment, talent management, retention of key expertise and succession planning are all major concerns for Carmila.
An inadequate strategy in this area would expose the Group to:
• recruitment difficulties for key roles;
• the loss of key employees without a succession plan, and therefore a disruption to its activity;
• a decline in employee expertise;
• loss of key institutional knowledge;
• a loss of its partners' trust.
Similarly, Carmila must take great care to respect diversity and human rights, or risk exposing itself to:
• criminal charges related to shortcomings in promoting diversity and combating discrimination and harassment;
• a risk of being disconnected from society if its workforce is not representative of the overall population;
• a risk of damage to its image.
	Risk control and mitigation
	Employee engagement is fundamental and is nurtured from recruitment and throughout the employee's career in the Company, in particular through:
	• a structured onboarding programme (integration seminar, mentoring and support during the trial period, etc.) for each new recruit;
	• regular monitoring of employees throughout their career (annual appraisals, career committees, etc.);
	• development of a succession plan.
	In the area of human rights and anti-discrimination, in addition to the provisions set out in its Rules of Procedure and policies, Carmila has put in place various measures.
	• to combat harassment:
	  • anti-harassment awareness training,
	  • two anti-harassment points of contact (Social and Economic Committee and Human Resources);
	• to combat discrimination:
	  • a "Recruiting without discrimination" training course,
	  • a disability mission,
	  • a gender equality index that is monitored in each of Carmila's three countries.
	These measures are described in further detail in Chapter 4 of this Universal Registration Document.

3.3 Insurance

The Group's insurance strategy is based on services provided by the Carrefour group and involves identifying insurable risks through a regular review of existing and emerging risks. The Carmila Group's entities are covered by insurance policies put in place by the Carrefour group, with the customary levels of coverage for this type of business. The Group benefits from this insurance as entities that are specifically covered by these policies.

These insurance programs are negotiated centrally and are renewed on 1 January of each year.

The insurance policies are as follows:

- "Property Damage and Operating Losses", which insures assets, in particular against fire, explosion, lightning, natural events and theft, and covers any resulting operating losses;
- "Third Party Liability", which covers the financial consequences of physical, property and/or financial damage caused to third parties, in the event that the Carmila Group is held liable for such damage;
- "Construction", such as "Construction All Risks" and/or "Building Defects", which insures the Group's construction, extension and/or renovation sites, both during work and after delivery.

Other policies cover the Carmila Group's other insurable risks in line with the nature of the activities, the risks and the scale of the Group.

Upon completing an acquisition, the Carmila Group requests coverage for the acquisition under these insurance policies and benefits from equivalent protection or, if applicable, coverage in addition to the guarantees provided by the policy in question (DIC/DIL: Difference in Conditions/Difference in Limits), ensuring good control of existing coverage and guarantees.

3.4 Risk management and internal control

The Carmila Group applies the general principles of internal control and risk management defined in the Reference Framework of the French financial markets authority (*Autorité des marchés financiers* – AMF), which was published in January 2007 and updated on 22 July 2010.

Carmila has entered into several service agreements with the Carrefour group in connection with the support functions required for running its business. These agreements mainly concern accounting, tax, legal, real estate, administrative and insurance services. The Carrefour group's risk management and internal control systems have also been developed to comply with the AMF Reference Framework.

The risk management and internal control systems have been designed to manage risks, help the Group achieve its objectives and raise operational efficiency and performance.

Like any system of control, internal controls provide reasonable, but not absolute, assurance that the entity's objectives will be achieved. The limits inherent in internal controls mean that they cannot prevent poor judgement, bad decisions or external events which result in technical or human failure or may prevent the achievement of operational objectives.

3.4.1 Risk management system

3.4.1.1 Purpose and organisation of risk management

Risk management is intended to cover the financial, operational, liquidity and environmental risks described in section 3.2 "Risk factors" and in chapter 4 "Corporate social responsibility" of this document.

The risk management system within the Carmila Group aims to identify, analyse and address the major risks likely to harm people, the environment, assets and the Group's objectives or its reputation. In particular, risk management seeks to:

- create and protect Carmila's value, assets and reputation;
- safeguard Carmila's decisions and processes to help it achieve its objectives;
- encourage initiatives which are consistent with Carmila's values;
- rally employees around a common vision of the main risks.

Carmila's approach is to embed risk management within its day-to-day business activities. Risk management is therefore a common project for all employees. Addressing risk and implementing the risk management principles are the direct responsibility of Executive Management, which is in charge of monitoring and supervising risk management.

3.4.1.2 Risk identification and monitoring

The Audit Committee monitors risk management on a regular basis and examines and approves the risk map and the associated action plans.

As part of the service agreements with the Carrefour group, all functions sub-contracted by Carmila are subject to the internal control and risk management system set up within the Carrefour group, notably through its Ethics, Compliance and Data Protection department. Carmila also performs quality control of the functions sub-contracted and regularly updates its analysis of the risks inherent to these functions.

The safety of people and property is one of the critical objectives of the risk management system, which seeks to:

- protect customers, employees, service providers and the Group's sites, as appropriate;
- ensure that sites comply with applicable regulations;
- protect and improve the Company's brand image and reputation.

Carrefour's Insurance department contracts and manages insurance policies on a centralised basis on Carmila's behalf, and also manages any claims.

3.4.2 Internal control system

The Carmila Group's internal control system includes a set of resources, policies, procedures and actions adapted to the Group's characteristics and closely related to risk management (see section 3.2 "Risk factors"). The system is designed to:

- contribute to control over its activities, the efficiency of its operations and the efficient use of its resources;
- take appropriate action with regard to the major financial, operational or compliance risks facing the Carmila Group and which could prevent it from achieving its objectives.

In particular, the internal control system aims to ensure that[1]:

- the Group can achieve its economic and financial objectives in compliance with applicable laws and regulations;
- the instructions and directions given by the Group's Executive Management are implemented;
- internal processes, especially those relating to the protection of its assets, people and resources, function properly;
- financial information is reliable.

3.4.2.1 Organisation and scope of intervention

Carmila has implemented an internal control system which has been documented in different written procedures, a Code of Professional Conduct, and a definition of powers, responsibilities and objectives at each level of the organisation, in order to maintain an effective segregation of tasks between operating and supervisory roles. The implementation of the internal control system is based on an appropriate organisational structure in which responsibilities are clearly defined, adequate resources and competencies are provided, and appropriate information systems, tools and practices are implemented.

Internal control procedures are monitored on an ongoing basis at the level of the Carmila Group so as to prevent or detect problems in a timely manner. In designing its internal control system, the Group refers to the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal control function relies on the internal controls of Carrefour Property, a Carrefour subsidiary, for sub-contracted activities.

Carmila's internal control procedures as described in this document are applied within all of the Group's businesses and companies, without exception.

3.4.2.2 Internal control stakeholders: definition of responsibilities and powers

Management bodies

Executive Management is responsible for internal control and risk management. It is therefore responsible for designing and implementing internal control and risk management systems that are appropriate for the Group, its business and its organisational structure.

Executive Management monitors the internal control and risk management systems on an ongoing basis in order to ensure their integrity and improve them by adapting them to changes in the organisation and environment[2].

It initiates any remedial measures that become necessary to correct problems that are identified and therefore maintain an acceptable level of risk. It ensures that these measures are duly implemented in a timely manner.

The Board of Directors is informed of the key characteristics of the internal control and risk management systems and thereby acquires an overall understanding of the procedures used to prepare and process financial and accounting information through the work performed by the Audit Committee. The Board of Directors ensures that the major identified risks for the Group are dealt with in its strategies and objectives, and are taken into account when managing the Group[3].

(1) Aims specified in the AMF Reference Framework for risk management and internal control systems (Section II-3 A).
(2) AMF Reference Framework for risk management and internal control systems (Section II-5 a).
(3) AMF Reference Framework for risk management and internal control systems (Section II-5 b).

Audit Committee

The Carmila Group's Board of Directors has set up an Audit Committee comprising four members, as described in section 6.1 "Carmila's corporate governance".

As part of its role in terms of monitoring the effectiveness of the internal control and risk management system, the Audit Committee is responsible for:

- monitoring the effectiveness of the internal control and risk management systems;
- conducting regular supervision and making any recommendations to improve these systems;
- analysing risks, risk levels and the procedures put in place to mitigate those risks, along with any off-balance sheet commitments;
- assessing any problems or weaknesses brought to its attention;
- presenting a summary of its work on internal control to the Board of Directors.

Operational monitoring and oversight committees

Carmila's Executive Management is responsible for ensuring that Carmila's internal control system is operating effectively, including internal controls over services sub-contracted to Carrefour. To this end, the General Secretary draws on reports from the following operational committees:

- the Investment Committee;
- the Monthly Activities Review;
- the Monthly Credit Collection Committee and Litigation Committee;
- the Ethics Committee;
- the Data Security Committee (France).

Carrefour Property's Internal Control department in each country is also responsible for managing internal control and implementing action plans for sub-contracted services.

On a day-to-day basis, Management provides ongoing oversight of the effectiveness of the internal control system.

3.4.2.3 Services sub-contracted to the Carrefour group

The Carmila Group has entered into a service agreement with the Carrefour group covering accounting, administrative, IT, legal and tax services.

IT system

The Carmila Group's IT systems are designed to meet its needs and satisfy its requirements with respect to:

- security and confidentiality;
- reliability and integrity;
- availability;
- traceability of information, so as to enable systematic audits of access or tasks.

The Carrefour group provides IT services to the Carmila Group. Carrefour Property's Data Systems Innovation department assists the Carmila Group in planning its IT strategy, coordinates and supervises the implementation of its IT projects and manages IT resources and budgets. The Data Systems Innovation department is involved in the conceptual design and IT architecture of the Carmila Group's projects and is involved in the preparatory phase together with Carrefour's Information Systems Security department (DATS) so it can:

- identify the risks inherent to projects, in particular those relating to data protection;
- define the security requirements and the security actions to be included in the project.

It is also responsible for IT system security together with Carrefour's Architecture, Technology and Security (DATS) department, and for system maintenance.

Carrefour Property France has appointed an IT System Security Officer whose main task is to adapt and deploy the security policy defined by the Carrefour group as well as promoting best practices with the teams.

Action plans are monitored and adjusted where appropriate at the Data Security Committee's quarterly meetings. Action plan progress is monitored at monthly meetings.

Corporate Legal department

As part of the service agreements with Carrefour Administratif France and Carrefour SA, Carrefour's Corporate Legal department monitors any legal and regulatory obligations relating to company law, prepares and formalises corporate events (board meetings, shareholders' meetings, etc.), and carries out any legal and administrative formalities pertaining to company law.

Real Estate Legal department

As part of its service agreement with Carrefour Property (CPG), Carrefour Property's Legal department monitors any legal and regulatory obligations relating to real estate applicable to the Carmila Group's portfolio.

Carrefour Property's Legal department is responsible for all of Carmila's legal activities in relation to its properties, which include laws applicable to commercial leases, joint ownership, sales and acquisitions, real estate development, administrative real estate permits and all asset management legal services, and monitoring disputes and litigation.

More generally, Carrefour Property's Legal department also ensures that all of the Carmila Group's activities and entities apply and comply with the applicable laws.

It also provides day-to-day assistance to operational teams with regard to negotiating leases and putting in place specific agreements, and provides overall support in regard to all related legal documentation.

In the event of a Covid-19-style health crisis, Carrefour Property's Legal department monitors regulatory developments, prepares and verifies all agreements provisionally modifying leases to help ensure tenants can continue in business and therefore protect Carmila's gross rental income (see section 3.2.2 – "Risk 4 – Health [including risks associated with health, well-being, safety and security]").

Human Resources

Within the scope of the service agreement, Carmila's HR management teams draw on Carrefour's shared service centres, which manage personnel on a day-to-day basis and ensure compliance with Carmila's objectives and policies.

Carmila's HR policy promotes the development of its employees through training and individual career management. Carmila also promotes an inclusive working environment that respects diversity and gender equality, as detailed in section 4.4 "Here we act for employees".

Annual assessments are performed to check that all employees comply with the Group's policy in terms of managerial and ethical standards. In part, this assessment allows performance, and therefore employees' variable compensation, to be measured.

3.4.2.4 Documentation and dissemination of the internal control system

Carmila's own internal control system and processes are laid down in business line procedures, which include all job descriptions and processes, and are available as collaborative tools (intranet, email, etc.) to ensure that the information can be accessed and shared rapidly. These business line procedures play a crucial role in the internal control process. They aim to streamline and standardise the information disseminated so processes are secure and consistent across all of Carmila's business lines and teams.

New recruits immediately receive a copy of the Group's ethical principles, a booklet on data security, and a booklet on the Group's anti-corruption and conflict of interests policy.

This information is also disseminated to the Carrefour group's employees in the functions sub-contracted under the service agreements.

3.4.2.5 Dissemination of and compliance with Carmila's ethical values

Carmila has drawn up a Code of Professional Conduct consistent with the values and guidelines of the Carrefour group. An Ethics Committee has been set up to guarantee the fundamental principles defined in the Carrefour group's Code of Professional Conduct, based on:

- individual and collective ethical conduct;
- confidentiality of information;
- whistleblowing;
- respect for diversity;
- the Group's social and environmental responsibility;
- conduct at work;
- transparency in business relationships.

The Ethics Committee comprises seven members of the Executive Committee and the head of Internal Control, Risk Management and Data Security. The Committee covers France, Italy and Spain and meets at least once a year in order to:

- ensure the ethical principles are published and that the conditions are in place to ensure employees are familiar with them, understand them, share them and comply with them;
- ensure that the Group's ethical principles and policy for fighting corruption and influence peddling are duly disseminated and posted on the intranet;
- ensure that the associated training sessions are rolled out;
- organise and ensure that the whistleblowing procedure functions effectively, and ensure that alerts are processed independently in compliance with applicable legislation;
- discuss and implement the action plan on the main ethical issues affecting the business in order to remain one step ahead in the process and obtain a broader view of the issues;
- advise directors on any issue relating to the application of or compliance with our ethical principles;
- monitor and regularly assess the effectiveness of the system.

A practical guide to the ethical principles is also given to all Group employees. Each employee is expected to be familiar with this guide, and to comply with it and ensure it is complied with, in all circumstances. This guide is also disseminated to all employees of the Carrefour group, including the teams who work for Carmila in the context of the service agreements between the two groups. A copy of "Our Ethical Principles" is given to each new employee on arrival.

3.4.2.6 Fight against corruption and money laundering

Carmila is included in the whistleblowing procedure implemented by the Carrefour group that allows stakeholders to flag breaches of ethical principles, particularly concerning corruption and conflicts of interest. This procedure includes an exclusive hotline and website for notifying any alerts. It is open to all employees and third parties that have dealings with the Group. Confidentiality and whistleblower anonymity is guaranteed at all stages of the whistleblowing process.

Carmila's anti-corruption and anti-money laundering system is based on the Carrefour group's charter, notably taking into account the French law of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy (Sapin II), the French order of 1 December 2016 which toughens French anti-money laundering and terrorist financing legislation and the "Waserman" law of 21 March 2022 whose purpose is to strengthen protections for whistleblowers.

A policy for fighting corruption and influence peddling was defined and presented to the employee representative bodies in France. This document was incorporated into the Rules of Procedure of Carmila and Carrefour Property's economic and social unit (ESU), and is regularly updated.

The risks of influence peddling and corruption have been mapped. On this basis, a training programme supported by physical documentation and digital materials was developed for the employees most exposed to these risks. In-person or video-based training sessions – updated each year – are rounded out by e-learning available at all times for all employees.

Each Group employee must also sign an annual certificate of independence aimed at limiting and managing conflicts of interest.

3.4.2.7 Protection of personal data

Carmila acted ahead of the General Data Protection Regulation (GDPR – 2016/679/EU), which came into force on 25 May 2018. The law firm Bensoussan performed a diagnostic review in 2017 to assess the Group's level of compliance with the GDPR, recommend an appropriate organisation for data protection, identify corrective measures and draw up a compliance plan. The system was reviewed once again in 2020 by the Feral-Schuhl/Sainte-Marie law firm. The plan was implemented in conjunction with the Carrefour group.

In order to improve the effectiveness of its system, Carmila chose to outsource the role of Data Protection Officer (DPO), which is now assumed by the firm Osborne-Clarke. The Data Protection Officer is responsible for (i) informing and advising the Group on GDPR, (ii) monitoring compliance, and (iii) liaising with the relevant authorities (CNIL).

GDPR steering committees have also been set up, along with processing records, with the aim of centralising and identifying all processing of personal data by Carmila.

3.4.2.8 Stock market ethics and insider trading

A Stock Market Ethics Code was adopted by the Carmila Group and disseminated to all holders of sensitive and/or inside information (Board of Directors, Executive Management and key employees) in order to combat and prevent the risk of insider trading. This Ethics Code sets out the closed periods preceding the publication of quarterly and annual revenues and half-yearly and annual results, during which employees are advised to abstain from trading or attempting to trade in Carmila shares. Carmila's Board of Directors adopts the closed period schedule each year.

The purpose of the Group's financial reporting policy is to ensure the publication of relevant, accurate and fair information, enabling all users to access the same information at the same time.

3.4.3 Critical activities for operational internal control

Control activities are designed to ensure the proper implementation of, and compliance with, internal control procedures so that the risks associated with major transactions carried out by the Group are managed.

3.4.3.1 Investment authorisations

The purpose of the Renovation and Development Agreement between the Carmila Group and the Carrefour group is to create a partnership between the two groups with a view to implementing a strategy in France, Spain and Italy to increase the attractiveness and optimise the value of the assets. For a description of the Renovation and Development Agreement, see section 5.1.5.3 "Principal agreements with Carrefour group entities" of this document.

Within this framework, investment projects are subject to an approval procedure which aims (i) to ensure that they comply with the Group's strategic priorities and profitability criteria, and (ii) to coordinate the development processes between the two groups and align both partners' interests. This approval procedure is based on technical, tax, legal, financial and environmental studies.

In light of the limitations imposed by the Board of Directors on the powers of Executive Management, investment proposals must receive a favourable opinion from the Strategy and Investment Committee and the Board of Directors' agreement for any projects representing an outlay of more than €15 million.

In addition, the Carrefour group's Investment Committee validates any real estate investment in which Carrefour's share represents more than €3 million.

3.4.3.2 Management of renovation and development projects

Under the terms of the Renovation and Development Agreement with the Carrefour group, both parties undertake to equally split (50/50) the cost of renovation and development work.

CPG, a subsidiary of Carrefour Property France, acts as project manager under project management delegation agreements signed for each project.

The approval procedure for these projects is described above (see section 3.4.3.1 "Investment authorisations").

3.4.3.3 Lease management

Carrefour group subsidiaries provide lease management and asset management services on behalf of Carmila in France, Spain and Italy. Day-to-day management is thereby delegated to a team complying with the management rules and procedures set by the Carrefour group, in particular as regards invoicing and collecting rent from tenants. This process is also based on dedicated lease and property management IT tools and applications developed for or by the Carrefour group.

3.4.3.4 Leasing

Dedicated internal teams are responsible for leasing activities. A compliance guide detailing the procedures to be respected is available for new and existing employees.

Sales teams and operating departments regularly monitor sales and marketing initiatives, enabling the Group's performance to be assessed by reference to indicators based on revenues, footfall, monthly signings and vacancy rates. A leasing plan drawn up annually for each site and approved by the Chief Operating Officer is regularly updated in accordance with changes on the site and in the market (new players, new opportunities, etc.). This action plan enables the rental grid to be reviewed to identify priority shopping units, listing vacant lots, renewals and terminations in order of priority. It is incorporated into the annual budget approved by the Board of Directors, which then uses it to monitor the Group's business during the year.

3.4.3.5 Asset maintenance and safety

Carrefour Property's teams regularly monitor the upkeep, maintenance and safety of assets under lease management and property management contracts. They do this by implementing a system setting out the safety compliance procedures adapted to each of the Group's sites.

When acquisitions are made, Carmila and Carrefour Property teams will include the new assets in Carrefour group's insurance policy.

3.4.3.6 Crisis management

Carmila and the Carrefour group have set up a joint crisis management procedure to ensure that actions and communications during a major crisis affecting one of their shopping centres are consistent. A joint hotline is available to both groups' employees, which enables coordinated action and the consistent dissemination of information to all players concerned.

3.4.4 Preparation and processing of financial and accounting information

3.4.4.1 Organisation of the finance function

Internal accounting and financial control is primarily designed to ensure that:

- published accounting information complies with accounting policies;
- instructions and guidelines set by Executive Management are applied;
- fraud and accounting and/or financial irregularities are prevented and detected;
- the financial information published is reliable.

The risks involved with producing accounting and financial information can result from the accounting treatment of two categories of transactions:

- current transactions, for which controls must be carried out as closely as possible to the decentralised transactions;
- sensitive transactions, which may have a significant impact on the financial statements.

Carmila's Finance department is responsible for identifying the risks which affect the preparation of financial and accounting information and for taking the necessary measures to adapt the internal control system.

Carmila is supported by the Carrefour group under the service agreement covering accounting, tax and legal matters. The Group therefore relies on central teams and a specialist shared service centre model using standardised documents and procedures while allowing proper segregation of duties between operating and supervisory roles.

The Carmila Group's financial statements are consolidated by an internal team.

The property portfolio is valued when preparing the accounting and financial information using real estate appraisals performed by renowned independent appraisers drawing on recognised methods.

3.4.4.2 Operating process

The Finance department is responsible for compiling the operational, financial and accounting information needed in order to prepare the activity reports along with annual, half-yearly, quarterly and monthly regulatory information, where applicable. It therefore coordinates and supervises the work of service providers in order to prepare these reports.

The financial statements are prepared within the stipulated deadlines, in accordance with applicable laws and accounting standards.

The Group's accounting policies are defined in a document which is regularly updated and disseminated to all those involved in the process[1].

Consolidated financial statements are prepared in accordance with a detailed schedule and instructions that seek to ensure compliance with accounting deadlines and standards.

The Group's Finance department performs the following main controls when consolidating the financial statements:

- analysis and justification of changes in the scope of consolidation to ensure that the appropriate accounting method has been applied;
- analysis and justification of consolidation adjustments.

The annual financial statements are audited by the Statutory Auditors. Half-yearly IFRS financial information is subject to a limited review. The Finance department coordinates the work with the Statutory Auditors. Financial and accounting information is reviewed and tested by the Statutory Auditors and presented to the Group's Audit Committee and then to the Board of Directors.

The Finance department verifies the completeness and consistency of Group's financial and accounting information, in particular by:

- controlling each stage of its production;
- monitoring internal reporting and analysing the differences with the budget approved by the Board of Directors.

Regarding internal control, the Finance department is also responsible for:

- participating in communication activities with regard to investors and the financial markets (press releases, website management, etc.);
- supervising delegated functions;
- conducting internal audit assignments within the Group;
- ensuring that the Group complies with its regulatory obligations in terms of tax matters and stock market regulations;
- informing the Audit Committee of the results of the internal audit assignments.

3.4.4.3 Financial reporting

The information collected and then published follows a process which guarantees data reliability and fairness. The aim of financial reporting is to provide ongoing information. Its purpose is to convey a clear, coherent message to enable investors to acquire an exact and precise understanding of the Company's value and its strategy. In this regard, the information compiled is reviewed for consistency and cross-checked jointly with the Statutory Auditors before it is circulated internally.

Different channels are then used to publish the financial information, including:

- Universal Registration Document;
- half-yearly press releases;
- half-yearly financial reports;
- Shareholders' Meetings;
- quarterly press releases on the Group's business and revenues;
- regulatory information.

(1) *AMF Reference Framework for risk management and internal control systems (Sections IV 3.1.3 and 3.1.4).*

3.5 Legal and arbitration proceedings

In the ordinary course of its business, the Carmila Group is involved in legal and administrative proceedings and may be subject to tax and social security audits. The Carmila Group recognises provisions in its financial statements when, at the reporting date, it has a present legal or constructive obligation as a result of a past event which can be reliably estimated and whose settlement is likely to result in an outflow of economic resources. A description of provisions for litigation at 31 December 2022 is provided in Note 7.9 of section 6.1 "Consolidated financial statements for the year ended 31 December 2022" of this document.

At the date of this document, to the Group's knowledge, there are no governmental, legal or arbitration proceedings (including any proceedings of which Carmila is aware that are pending or with which it is threatened) that could have or have recently had a material impact on the financial position or profitability of Carmila and/or the Carmila Group.

3.6 Material contracts

As of the date of this document, no agreements (other than agreements entered into in the ordinary course of business) containing provisions entailing an obligation or significant commitment on the part of any Carmila Group entity for the Group as a whole had been entered into by Carmila or by any Carmila Group entity, with the exception of the agreements described in section 3.1.5.3 "Principal agreements with Carrefour group entities", section 2.4 "Financial policy", and in Note 11 "Related-party transactions" of section 6.1 of this document.

3.7 Research and development, patents and licences

3.7.1 Research and development

The Carmila Group does not conduct research and development activities. However, it is constantly seeking innovative solutions as part of its digitalisation strategy. The Carmila Group has created an internal incubator programme for innovation and digital start-ups. Thanks to digital tools (such as social networks, the digital customer experience and databases) developed in collaboration with Carrefour group teams, multi-channel pilot projects have been run in numerous areas, including customer relationship management (CRM) and data; relational, local and cross-channel marketing; new concepts and new businesses.

The Group does not hold any patents and therefore considers that it is not dependent on any trademarks, patents or licences for the conduct of its business or for its profitability.

3.7.2 Intellectual property

The Group's intellectual property rights consist mainly of rights to distinctive signs such as trademarks or domain names, in particular the semi-figurative "Carmila" EU brand, the figurative "M logo" brands, the semi-figurative "Cité Europe" brands, and domain names featuring "Carmila" for example. These intellectual property rights are registered, or are being registered, in the countries where they are used by the Group, in order to protect them in a manner appropriate to the activities concerned.

These rights are mainly held by Carmila and, for certain distinctive brands, used only in connection with the activity of a shopping centre by the entity of the Group managing that shopping centre.

Corporate social responsibility

4.1 CSR approach

Business model

Carmila is a real estate company dedicated to managing and enhancing the shopping centres and retail parks adjoining Carrefour group hypermarkets. Its portfolio consists of 208 shopping centres and retail parks located in France, Spain and Italy, worth a total of €6.2 billion (not including the recent acquisition of the Rosaleda shopping centre in Spain). Its business model is based on three pillars, sources of value creation for all stakeholders: to be an incubator and omnichannel platform for retailers, to act as a leader in the sustainable transition of local regions and to invest in new activities linked to digital infrastructures and new retail concepts.

Our real estate portfolio, our talent, our financial strength, our partners and our environment are the main resources of this business model, which is directly aligned with new societal, demographic and business trends. From a sustainability perspective, the protection of these resources is therefore essential for Carmila.

CSR strategy

Carmila's CSR strategy, which is based on the United Nations Sustainable Development Goals (SDGs), was completely revisited in 2020 and in 2021 was stepped up based on the three focuses of the "Here we act" programme:

- Here we act for the planet: Carmila is particularly committed to optimising its resource consumption, certifying the environmental quality of its assets and protecting biodiversity. The main priority of Carmila's environmental actions is to decarbonise all scopes in the carbon footprint.
- Here we act for local regions: Carmila supports job creation and especially the employment of young people, in particular through its partnership with the non-profit Chemins d'avenir and a recruitment policy that favours employees on work-study programmes (13.5% of the workforce in France at the end of 2022).
- Here we act for employees: Carmila promotes diversity, employer-employee dialogue and career development, along with consideration of CSR issues.

During the July 2022 financial information review, Carmila confirmed its new strategic plan, in particular its commitments to become a leader in local regions' sustainable transformation. These commitments can be divided into three key areas:

- extension projects to maximise the use of existing sites as brownfield developments;
- urban mixed-use projects to bring retail back into more resilient neighbourhoods;
- a series of restructuring projects to adapt assets to the new environmental and economic environment.

4.1.1 CSR organisation

4.1.1.1 CSR governance

Board of Directors' CSR Committee

In 2020, Carmila's Board of Directors set up a CSR Committee to place environmental, social and societal issues at the heart of its initiatives.

Board of Directors' CSR Committee

Members	• Séverine Farjon, Independent Director (Committee Chair); • Nathalie Robin, Independent Director; • Maria Garrido, Independent Director; • Laurent Vallée, Director; and • Marie Cheval, Chair and Chief Executive Officer.
Duties	In particular, the CSR Committee is responsible for: • examining Carmila's CSR commitments and positions, their alignment with stakeholder expectations, their roll-out, and ensuring that CSR matters are properly considered; • assessing risks, identifying new opportunities, and analysing the impact of the CSR policy on financial performance; • reviewing the Group's annual non-financial performance statement; • reviewing the summary of the ratings awarded to the Company by ratings agencies and non-financial analysts; • identifying and discussing emerging CSR trends, and verifying that the Company is well prepared for the challenges specific to its business and objectives.
Frequency of meetings	Half-yearly (15 June and 28 November in 2022).

CSR department

The CSR department, consisting of a director, a manager and a project manager, proposes the strategy and objectives for validation by Executive Management and the Board of Directors' CSR Committee.

The CSR department is then responsible for the proper implementation of the strategy. It reports to Executive Management and leads all the CSR committees and networks.

Country CSR committees

In France, Spain and Italy, the CSR steering committees communicate CSR strategy to the operating departments. They report on the achievement of the targets set by the Board of Directors' CSR Committee and meet twice a year on average.

CSR officer network and employees

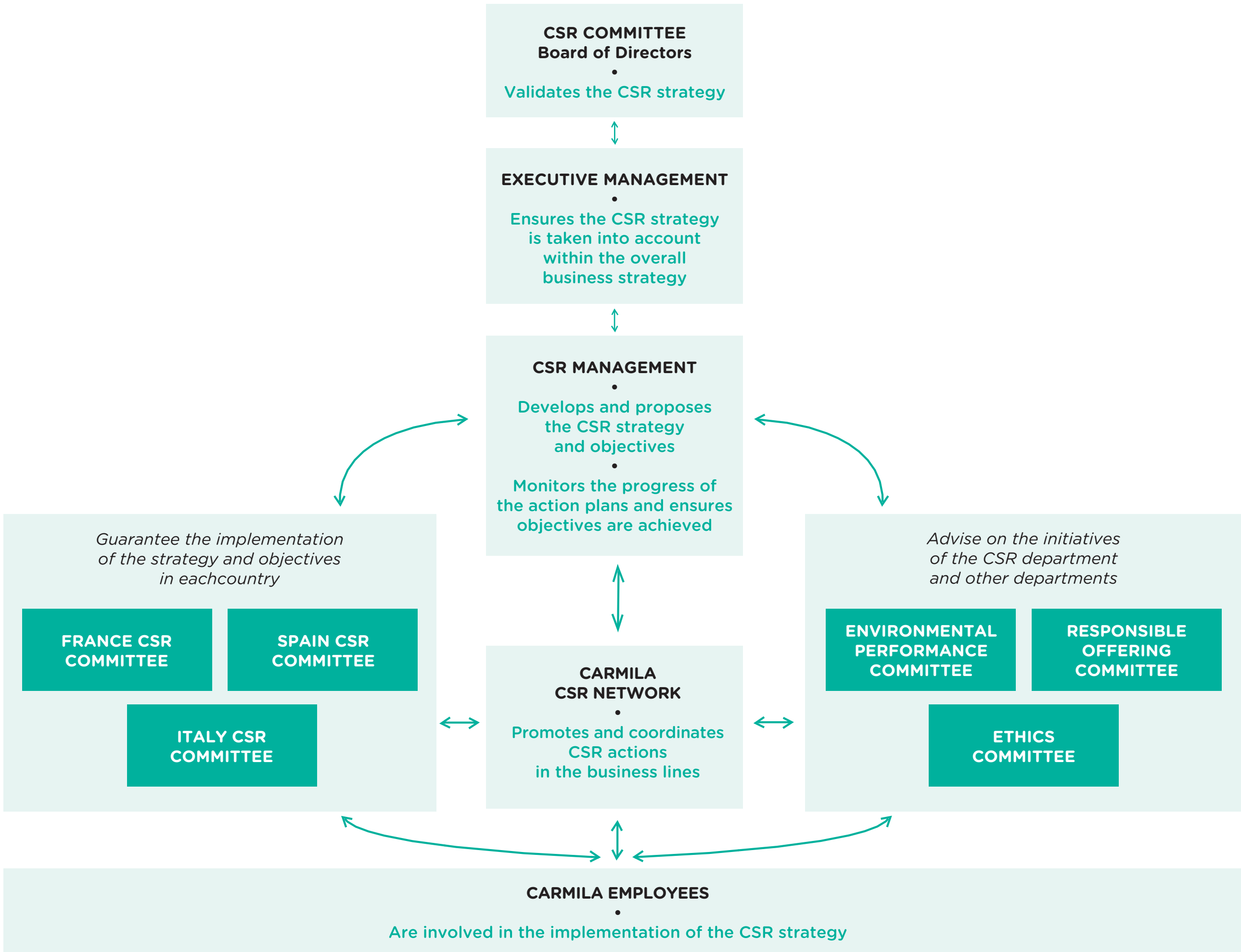
Across all business lines, the network of CSR officers promotes and coordinates CSR measures with Carmila employees.

Specific committees

Specific committees meet regularly to tackle priority issues:

- an Ethics Committee, which meets at least once a year, to oversee compliance with ethical principles, coordinate ethics initiatives and training programmes, and interact with the partners involved;
- an Environmental Performance Committee, to ensure that the technical investments proposed are in line with the CSR strategy;
- a Responsible Offerings Committee.

MANAGEMENT OF THE CSR APPROACH



4.1.1.2 Dialogue with stakeholders

Dialogue with stakeholders is organised and structured at all levels of the Company, and CSR strategic issues are addressed:

Stakeholders	Carmila contact persons	Channel	Sustainable development issues
Retailers and tenants	Shopping centre management teams, leasing managers, operations managers, marketing Executive Management	• Trade events and gatherings organised by Carmila: trade fairs (SIEC, MAPIC, CARMIDAY), meetings with chairs of charities and charitable associations • Negotiations on commercial leases • Ad hoc meetings	Energy saving, waste, societal events
Shareholders and investors	Investor Relations department Executive Management	• Board of Directors and Annual General Meeting • Universal Registration Document • Roadshows and conferences • Shopping centre visits	All the KPIs in the CSR strategy
Visitors and customers	Shopping centre management teams	• Social and environmental initiatives • Omnichannel and digital communication, events in partnership with retail brands • Media (press releases and packs, organised visits)	Societal events
Local partners	Shopping centre management teams Executive Management	• Proactive and frequent deadlines; participation in projects within the catchment area • Local partnerships and national partnerships on a local level	Societal issues for the local region
Employees	All Carmila departments, managers and the Human Resources department	• Employee surveys • Conventions, seminars • Internal communications • Schools and universities • Integration of new recruits • Relations with employee representative bodies	Awareness-raising events, commitment to actions in favour of sustainable development, community outreach
Carrefour group	Carmila employees	• Property management mandate with Carrefour Property and other service agreements, twice-monthly joint Carmila/Carrefour Property management committee meetings	Synergies with the Carrefour group's CSR department on environmental and societal issues
Service providers and suppliers	All Carmila employees in charge of purchasing	• Supplier Ethics Charter and Responsible Purchasing Charter • Calls to tender	All CSR issues included in the Responsible Purchasing Charter

4.1.1.3 Sector-specific initiatives and charters supported by Carmila

Carmila is active in various national and international industry organisations, particularly in the field of sustainable development. This involvement is essential to capitalise on good practices and follow business trends.

The Group participates in the following:

- French regional retailer trade body (*Fédération des Acteurs du Commerce dans les Territoires* – FACT, formerly the CNCC)

  The FACT is a French industry organisation for operators in the shopping centre sector. Carmila actively participates in the sustainable development committees and technical committees, sharing best practices and monitoring developments in these areas.

  Marie Cheval, Chair and Chief Executive Officer of Carmila, has also been Vice-Chair of the FACT since 2021.
- French Federation of Real Estate Companies (*Fédération des Entreprises Immobilières* – FEI)

  The FEI brings together real estate operators that build, rent and manage real estate (offices, stores, hotels, logistics warehouses, housing, student residences and nursing homes). Carmila is an integral part of the Federation's discussion groups on sustainable development.
- Sustainable Real Estate Observatory (*Observatoire de l'Immobilier Durable* – OID)

  The OID aims to promote sustainable development and innovation in real estate. Carmila lends its expertise to various discussion groups focusing on a variety of issues such as energy performance and carbon, sustainable finance, biodiversity and resilience.
- The Global Compact

  The Global Compact is a United Nations pact to which Carmila has been a signatory since 2019. It promotes 10 universal principles in relation to respect for human rights, labour standards, the environment and the fight against corruption. The Group publishes an annual Communication on Progress to assess the actions implemented and their success.
- International Biodiversity & Property Council (*Conseil International Biodiversité & Immobilier* – CIBI)

  The CIBI is made up of actors of urbanism, ecology, construction and real estate. The CIBI promotes best practices in urban biodiversity during the planning, design and occupancy phases of the property cycle, in particular through the CIBI-initiated BiodiverCity® label. Carmila was among the first members in the shopping centre sector to support the CIBI and the BiodiverCity® label.

- The Global Reporting Initiative

  GRI is an independent international organisation that sets reporting standards to help companies and governments better communicate their impacts on CSR issues. Carmila is one of the participating companies.
- The gender equality in real estate charter (*La Charte d'engagement en faveur de la parité et de l'égalité professionnelle Femmes-Hommes dans les entreprises et les organisations du secteur immobilier*), which Carmila signed up to in November 2021.

4.1.2 CSR challenges and opportunities

4.1.2.1 Risk identification and mapping

The issues and risks were pre-selected in light of the topics set out in Articles L. 225-102 and R. 225-105 of the French Commercial Code (*Code de commerce*), the relevant major international standards (ISO 26000, Global Compact), sector studies (benchmark of CSR risks, collective CSR risk analysis with the real estate companies that are members of the French shopping centre trade body (FACT), and ESG reporting frameworks.

Non-financial risks are reviewed once a year as part of the Audit Committee's activities to ensure the effectiveness of risk management systems and to assess risks, risk levels and procedures to guard against them.

Details on risk management are set out in section 3.2 “Risk factors”, with an outline of the main risk factors, impacts and mitigation measures.

In response to the non-financial reporting requirements introduced by French order 2017-1180 of 19 July 2017 transposing European Directive 2014/95/EU on the publication of labour and environmental information, in 2018 Carmila produced a map of gross non-financial risks, working on input from across all business lines.

The risk matrix was comprehensively reviewed in 2022 to update the level of certain risks in line with the geopolitical and economic environment (inflation, energy crisis, war in Ukraine, etc.). The Audit Committee has approved the updated risk matrix.

Some of the non-financial issues listed in Article L. 225-102 of the French Commercial Code have not been included in the list of main risks because Carmila's activity has no impact on these issues. These include the fight against food waste, the fight against food insecurity, respect for animal welfare, and respect for responsible, fair and sustainable food.

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 1. Energy and greenhouse gas emissions	Climate risks due to greenhouse gas emissions, the current geopolitical situation and the energy crisis will cause tensions in fossil fuels, with repercussions on operating costs, sourcing capacities and access to financing.	Reduction in greenhouse gas emissions is a two-stage process: optimise consumption, then seek “green” alternative energy sources to lessen the carbon impact. Efficient energy management and energy-saving measures are therefore called for.	Customers, visitors, shareholders and investors	High	Medium/high	4.2.1 Combating climate change
CSR 2. Waste management and the circular economy	Waste management risks are regulatory and financial in nature, with additional costs incurred due to poor waste sorting and price inflation.	Efficient waste management, and the ensuing operating cost reduction, comes through optimisation and recovery practices under a circular economy approach. This issue can also be a choice factor for certain demanding retailers.	Customers, visitors, shareholders and investors	High	Medium	4.2.2 Conserving natural resources
CSR 3. Biodiversity	Potential link between new projects and biodiversity damage and land degradation raises risks of local communities finding projects unacceptable and project development being refused.	Biodiversity protection must be factored in, to ensure sites are attractive and eco-friendly, and boost acceptance of projects among local communities.	Customers, visitors and elected officials	Medium/ high	Medium	4.2.2 Conserving natural resources
CSR 4. Water management	Water management raises financial risks in terms of both direct costs and possible restrictions on water use.	Optimised water management leads to cost reductions and greater attractiveness for demanding tenants.	Customers, suppliers and visitors	Medium	Low/medium	4.2.2 Conserving natural resources

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 5. Resilience and green value	Asset resilience risks may be physical (increasingly frequent extreme weather incidents, changes in global physical variables) or transition (regulations, market conditions, reputation) risks. They can have a direct financial impact on operating or insurance costs and an indirect impact arising from eroded attractiveness to visitors, retailers and investors.	Resilience is an important factor in an asset's green credentials; it can facilitate access to certain types of financing and improve long-term asset value.	Customers, visitors, shareholders and investors	Medium/ high	Medium	4.2.3 Green value
CSR 6. Dialogue with customers (tenants and visitors)	A poor understanding of how customers (tenants and visitors) perceive Carmila services entails a high risk of loss of appeal.	Ongoing dialogue, on the other hand, strengthens relationships, enabling Carmila to achieve a closer fit with customer expectations.	Customers, suppliers and communities	High	Medium/high	4.3.1 At the heart of the local economy 4.3.2 Our role as a corporate citizen
CSR 7. Local integration and development	Local economic vitality and regional roots are essential factors for retailers, visitors, and Carmila's business to thrive. Poor integration in the local surroundings will diminish a centre's attractiveness and hinder development projects.	Contribution to local economic development helps catchment areas to thrive and grow.	Customers, employees, lessees, visitors	High	Medium	4.3.1 At the heart of the local economy 4.3.2 Our role as a corporate citizen
CSR 8. Health, safety and security	As well as potentially leading to cost penalties and eroded attractiveness, health, safety and security risks can also jeopardise the centre's reputation and the Group's image.	Health and well-being are key concerns of our retailer and visitor customers. Initiatives on these subjects increase our appeal and positive impact.	Suppliers, tenants, customers and visitors	High	Medium	4.1.2.3. Summary of the CSR strategy
CSR 9. Diversity	Failure to comply with anti-discrimination legislation carries a legal risk which, on top of disciplinary and criminal sanctions, can jeopardise the Group's reputation with all stakeholders.	Diverse profiles are a source of dynamism, helping to improve innovation and understanding of societal market challenges.	Employees	Medium/ high	Medium	4.4.1 Foster diversity
CSR 10. Talent management and engagement	Poor talent management in employees' career paths or in employee engagement can hinder team advancement and recruitment of new personnel. This can stand in the way of Carmila meeting its objectives.	Employee well-being and engagement are conducive to productivity, competitiveness and innovation.	Employees	Medium	Low/medium	4.4.2 Talent retention and engagement

CSR issues	Risks	Opportunities	Stakeholders concerned	Risk/ opportunity type (gross)	Risk/ opportunity type (net)	Section
CSR 11. Responsible purchasing	Failure to comply with ethics and responsibility rules carries legal and disciplinary risks which, on top of penalties and sanctions, can jeopardise the Group's reputation and lead to disputes with stakeholders.	A clear, responsible purchasing policy provides an opportunity to develop supplier responsibility and a more resilient value chain. It also ensures consistency between the Group's CSR strategy and those of its supplier partners.	Suppliers, tenants, customers, visitors and employees	High	Medium	4.1.3.2. Responsible value chain
CSR 12. Ethics	Involvement in a case of corruption or money laundering could carry major reputational, financial and legal risks, and could even lead to business failure.	Across-the-board employee training and awareness-raising initiatives develop transparent, trust-based relationships.	All stakeholders	Medium	Low	4.1.3.1. Ethics and respect for human rights

The table below indicates the risk category and risk factor that correspond to each of the above CSR issues. It therefore establishes a direct connection between the risk factors that could impact the Company's operations (presented in section 3.2 "Risk factors") and risk factors relating to CSR. It also shows how certain CSR issues, in light of the risks identified by the Company, can affect the organisation across different departments or as a whole.

2022 RISK MAP

	Category	Risk factors	Risks in CSR map
1	Carmila's business sector	Developments in the commercial real estate market	N/A
2		Trends in the socio-economic and competitive environment	CSR 7
3		Geopolitical environment	N/A
4	Carmila's operations	Health (incl. health risk), well-being, safety and security	CSR 6 and CSR 8
5		Relationship and exposure to retail brands, counterparty risk	CSR 6
6		Property development	CSR 6, CSR 7 and CSR 11
7		Information systems and personal data security	N/A
8	Legal and ethical	Regulatory and legal developments	N/A
9		Ethics-, corruption- and fraud-based risks	CSR 11 and CSR 12
10	Financial	Cost of and access to financing and financial markets	N/A
11		Taxation and REIT, SIIC and SOCIMI regimes	N/A
12	Environmental, climate and societal	Environmental, climate and societal issues	CSR 1, CSR 2, CSR 3, CSR 4, CSR 5 and CSR 7
13		Talent management and engagement (recruitment, retention and succession)	CSR 9 and CSR 10

4.1.2.2 Compliance with non-financial reporting standards and benchmarks

Since 2018, in accordance with Decree 2017-1265 of 9 August 2017, the transposition into French law of the European Directive of 22 October 2014 on the publication of non-financial information, Carmila has published its non-financial performance statement, which corresponds to chapter 4 of the Universal Registration Document. At the end of the chapter a cross-reference table of CSR indicators is provided that contains the requisite data for the EPRA, GRI and TCFD reporting guidelines.

Carmila's entire Universal Registration Document is structured according to the International Framework developed by the International Integrated Reporting Council (IIRC).

Standards:

- FACT (French regional retailer trade body) implementation guide.
- GRI (Global Reporting Initiative), EPRA (European Public Real Estate Association) and TCFD (Task Force on Climate-related Financial Disclosures) guidelines.

4.1.2.3 Summary of CSR strategy indicators

CSR issues	Risk in CSR map	Carmila strategy	2022 objectives	Indicators	2022 results	SDG
			HERE WE ACT FOR THE PLANET			
Step up action to combat climate change	CSR 1 – Energy and greenhouse gas emissions	Roll out a low-carbon strategy	• Net zero emissions from Scopes 1 & 2 by 2030 • Net zero emissions from Scopes 1, 2 & 3 by 2040 with a maximum 10% offset	• GHG emissions	13.7% reduction in Scopes 1 & 2 GHG emissions compared to 2019 (location-based) 53% reduction in Scope 3 GHG emissions compared to 2019 (location-based)	13 CLIMATE ACTION
		Consolidate and continue progress in reducing energy consumption	• 40% reduction in energy consumption by 2030 (versus 2019)	• Energy consumption and energy intensity in common areas	16% reduction in energy intensity compared to 2019 (reported scope)	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
		Promote eco-mobility	• Offer eco-mobility solutions in 100% of shopping centres by 2025, within a radius of 500 metres of the shopping centre	• Percentage of shopping centres with at least one eco-mobility solution within a radius of 500 metres of the shopping centre	92.3% of shopping centres located within 500 metres of a public transport link 98.5% of shopping centres have at least one eco-mobility solution within 500 metres of the shopping centre	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Adopt a more frugal approach to the use of resources	CSR 2 – Waste management and the circular economy	Increase waste recovery to integrate circular economy principles	• 100% material and energy waste recovered by 2025	• Waste recovery rate	62% of waste recovered	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	CSR 3 – Biodiversity	Protect biodiversity	• Introduce biodiversity initiatives (such as responsible landscaping maintenance) at all our shopping centres by 2023	• Percentage of centres running biodiversity initiatives, such as a responsible practices charter for green space maintenance contracts	50.5% of the shopping centres have implemented an initiative to protect biodiversity 37 centres have committed their service provider to a responsible maintenance approach by signing a Biodiversity Charter	15 LIFE ON LAND
	CSR 4 – Water management	Optimise water consumption	Reduce water consumption to below 1 litre per visitor by 2025	• Water intensity	1.18 litre/visitor (reported scope)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CSR issues	Risk in CSR map	Carmila strategy	2022 objectives	Indicators	2022 results	SDG
Improve the resilience of our assets and their green value	CSR 5 – Resilience and green value	Set up a climate resilience action plan	• Conduct analysis of climate risks across all assets by 2022 • Adaptation plan and resilience solutions for 100% of assets exposed to climate change risk by 2025	• Percentage of risk-exposed centres with an adaptation plan and resilience solutions	Survey of climate risks for 22 centres	11 Sustainable cities and communities 13 Climate action
		Extend scope of certifications	• 100% of centres BREEAM-certified by 2025 • 100% of shopping centres rated Very Good by 2030	• Environmental certification rate	97.1% of our shopping centres (in value terms) were BREEAM-certified and 33% were rated Very Good BREEAM In-Use at end-2022	11 Sustainable cities and communities
HERE WE ACT FOR LOCAL REGIONS						
Support and consolidate the local economy	CSR 6 – Dialogue with customers and retailers	Promote actions in favour of employment – Run surveys to assess the impact on customers and visitors	• 100% of shopping centre management teams offer at least one employment initiative in 2022 and 2023	Percentage of shopping centres with management teams running an employment initiative	98.2% of shopping centre management teams ran employment initiatives	8 Decent work and economic growth
	CSR 6 – Dialogue with customers and retailers/CSR 7 – Local integration and development	Encourage responsible offerings	• At least 38% of centres providing a second-hand responsible offering in 2022 and 2023	Percentage of shopping centres providing a second-hand responsible offering	33 shopping centres or 42.4% of shopping centre management teams provided a responsible second-hand offering	12 Responsible consumption and production
	CSR 6 – Dialogue with customers and retailers/CSR 7 – Local integration and development	Maintain a high-quality dialogue with retailers	• Interview all retailers on a regular basis via surveys and monitor the Group NPS	Percentage of retailers informed about support services (primarily the marketing kiosks)	Retailer NPS up 3 points 64% of retailers satisfied	8 Decent work and economic growth
	CSR 6 – Dialogue with customers and retailers/CSR 7 – Local integration and development	Maintain a high-quality dialogue with customers	• Maintain a broad scope of dialogue channels: surveys, responses to online reviews, on-site dialogue • Monitor and improve the reliability of the Group NPS	Customer and visitor satisfaction rate	Customer NPS up 15 points 91.3% of customers satisfied	8 Decent work and economic growth 12 Responsible consumption and production

CSR issues	Risk in CSR map	Carmila strategy	2022 objectives	Indicators	2022 results	SDG
Fulfil our role as a corporate citizen	CSR 7 – Local integration and development/CSR 8 – Health, safety, security	Promote CSR events	• Run at least one CSR event per centre in 2022 and 2023	Percentage of centres running one or more CSR events during the year	99.5% of shopping centres with a centre management team ran a CSR event during the year	12 Responsible consumption and production 13 Climate action
	CSR 7 – Local integration and development/CSR 8 – Health, safety, security	Take part in community outreach events	• 100% of shopping centre management teams committed to a community outreach cause in 2022 and 2023	Percentage of shopping centre management teams engaged in a community outreach cause	99.5% of shopping centres with management teams carried out a community outreach initiative Extension of the partnership agreement with Chemins d'avenirs 4 new non-profits supported through sponsorship	10 Reduced inequalities
HERE WE ACT FOR EMPLOYEES						
Foster diversity	CSR 9 – Diversity	Diversity: from recruitment and throughout the career path	• Diversify recruitment methods and have more than 10% of the total workforce on work-study programmes Train senior executives and managers on issues of cultural bias by 2022 • Awareness-raising campaign on the issue of disability • Draw up a Responsible Recruitment Charter	Percentage of workforce formed by people on work-study programmes	13.5% of workforce formed by people on work-study programmes in France Training of senior executives and managers on issues of cultural bias in April 2022 Awareness-raising campaign on the issue of disability in November 2022	10 Reduced inequalities
	CSR 9 – Diversity	Diversity: actions promoting gender equality	• Equality index at 90/100 Group-wide by 2022 and 92/100 by 2023 • Draw up and sign an agreement on diversity which includes measures promoting gender equality in the workplace	Group-wide equality index	Group-wide equality index at 95/100	5 Gender equality
Develop employee potential	CSR 10 – Talent management and engagement	Develop employee potential	• Enhance the induction process (mentoring) • Offer at least one training course to 100% of employees – Organise at least one annual review per employee to address career prospects	• Percentage of employees who had access to training Percentage of employees who had an annual review Number of employees promoted or transferred internally	At least one training course was offered to 100% of employees and 90.06% received training Continuation of Induction Week in webinar format for all new hires Continuation of mentoring scheme for permanent employees Annual reviews held with 99% of permanent employees	3 Good health and well-being 4 Quality education

CSR issues	Risk in CSR map	Carmila strategy	2022 objectives	Indicators	2022 results	SDG
Foster employee engagement and co-build Carmila's future	CSR 10 – Talent management and engagement/ CSR 8 – Health, safety and security	Foster employee engagement through high-quality dialogue to build the future of Carmila together	Run employee satisfaction surveys and track NPS	Satisfaction survey score and NPS	28 meetings with staff representatives, at least one per month. 90% of employees express satisfaction with their jobs and 91% with the Company Global NPS +12	3 GOOD HEALTH AND WELL-BEING
	CSR 10 – Talent management and engagement	Raise awareness of CSR issues	• Continue to provide at least one awareness-raising initiative per half year • Attach new CSR indicators to the calculation of the variable portion of employee compensation	Percentage of managers trained in CSR strategy Frequency of CSR awareness-raising initiatives	6 awareness-raising conferences organised throughout the Group About 20 awareness newsletters sent out CSR KPIs used in the calculation of variable compensation	13 CLIMATE ACTION
Responsible purchasing	CSR 11 – Responsible purchasing	Develop and implement a Responsible Purchasing policy	• All delegated works contracts in France incorporate the Ethics Charter • Continue to deploy the Responsible Purchasing policy • Achieve a local purchasing index score of above 60% for construction purchasing	Share of works contracts incorporating the Ethics Charter Local purchasing index operational on current project contracts	All delegated works contracts in France incorporate the Ethics Charter, and all include the Responsible Purchasing Charter after its roll-out in June 2022 Local purchasing index operational in 45.9% of current project contracts Gradual roll-out of the Responsible Purchasing Charter for all of Carmila's purchases in the three countries	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Ethics	CSR 12 – Ethics	Conduct all activities ethically	• Provide specific training for 100% of employees exposed to corruption risks	Percentage of employees exposed to risks of corruption or influence-peddling having received specific training	All employees exposed to ethical risks have received training	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Health, well-being, safety and security risks (CSR 8)

Health, well-being, safety and security risks are also among the major risks in the overall risk matrix detailed in chapter 3.

The definition of these risks as well as the associated control and mitigation measures are detailed in section 3.2.2.

In order to ensure the safety of its shopping centres, Carmila carries out safety assessments on a sample of its portfolio each year. In 2022, 33% of Carmila's sites were audited, with an average score of 95%.

4.1.2.4 Overall CSR performance

Results of the assessments and alignment with key non-financial standards

Carmila undertakes every year to highlight the non-financial performance of its portfolio and its strategy by participating in the ESG assessments made by non-financial rating agencies.

For several years now, regular improvement in the Group's ratings by the GRESB (Global Real Estate Sustainability Benchmark) and CDP (Carbon Disclosure Project), which are the most coveted by our investors, has testified to the quality of Carmila's action plans and achievements.

In 2022, Carmila's strategy was recognised by:

- GRESB Real Estate Assessment – Development Benchmark;
- Carmila became the European leader in the Property development category;
- Carbon Disclosure Project (CDP): Carmila made the A List;
- EPRA: for the fifth year in a row, Carmila received a Gold level BPR Award from EPRA for the quality and transparency of its financial information and, for the third year, a Gold level sBPR Award for the quality of its non-financial performance statement.

4.1.3 CSR governance issues

4.1.3.1 Ethics and respect for human rights

Carmila signed the United Nations Global Compact in 2019, taking up its Sustainable Development Goals to ensure that its CSR strategy addresses global challenges as closely as possible. Respect for human rights, labour standards, the environment and the fight against corruption are the prime objectives of Carmila's CSR approach.

Ethical risks are identified in the risk matrix in chapter 3 and in the CSR risk map. As explained in the risk control and mitigation actions as well as in the description of the internal control system in sections 3.2.3. "Legal and ethical risks" and 3.4.2. "Internal control system" of this Universal Registration Document, Carmila has an Ethics Committee, a Code of Professional Conduct and a whistleblowing system for all three countries.

Carmila's anti-corruption, anti-fraud and anti-money laundering system is based on the Carrefour group's charter, which complies with French law 2016-1691 of 9 December 2016 on transparency, the fight against corruption and modernisation of the economy (the "Sapin II" law, as amended), French order 2016-1635 of 1 December 2016 which strengthens French anti-money laundering and terrorist financing legislation, and French law No. 2022-401 of 21 March 2022 (the "Waserman law") to improve protection for whistleblowers.

The risks of influence peddling and corruption have been mapped, and both the activities and employees exposed to these risks identified as a result. On this basis, a training programme supported by physical documentation and digital materials was developed for the employees most exposed to these risks. In-class and remote training sessions are rounded out by the CapFormation e-learning platform that is permanently available to all employees. The training materials are updated at least once a year to take into account legislative and regulatory developments and current events. All new employees are invited to take this module.

A policy for fighting corruption and influence peddling was defined and presented to the employee representative bodies in France. This regularly updated document was incorporated into the internal regulations of the Carmila/Carrefour Property Gestion economic and social unit ("Appendix to the internal regulations – Policy for fighting corruption and influence peddling").

Ethics Committee

In addition to its annual session, the Ethics Committee is convened whenever necessary. Its main responsibilities are to:

- ensure that ethical principles are published and that all the conditions are in place to ensure employees are familiar with them, understand them, take them on board and comply with them;
- ensure that the associated training sessions are rolled out;
- organise the whistleblowing procedure and ensure that it functions effectively and that reports are processed independently in full compliance with the law;
- discuss and implement the action plan on the main ethical issues affecting the business in order to remain one step ahead in the process and obtain a broader view of issues;
- oversee and regularly assess the effectiveness of the system, especially as regards the reach of employee training on anti-corruption, business ethics and the whistleblowing procedure;
- validate the financial sponsorship projects that may be proposed by the various Group departments.

Code of Professional Conduct

Carmila and the Carrefour group released a joint Code of Professional Conduct in 2017.

All business line procedures and associated rules regarding corruption, fraud and money laundering are set out in "Business line procedures" manuals, which describe the different operating functions, as well as the rules of conduct and main procedures applicable to each business line. Every year, all of Carmila's risk-exposed employees are required to sign a statement of independence, which identifies any risks of conflicts of interest and any necessary corrective measures to be taken. Training on best practices aimed at fighting fraud, corruption and influence-peddling is provided to the Executive Committee and to all risk-exposed employees. A digital version is permanently available online for all employees. Each country adapts the training programmes in order to fine-tune prevention and to comply with local legislation and regulations.

Whistleblowing procedures for combating corruption, money laundering and conflicts of interest

Carmila is included in the whistleblowing procedure implemented by the Carrefour group that allows stakeholders to flag any breaches of ethical principles, particularly concerning fraud, corruption and conflicts of interest. This procedure includes a dedicated hotline for each country and a website for issuing alerts. The system is open to all employees and third parties that have dealings with the Group. Confidentiality and anonymity are guaranteed at all stages of the whistleblowing process, in line with applicable regulations.

All risk-exposed permanent employees sign a statement of independence every year. Some employees also had to complete a review of interests, none of which resulted in a managerial decision to adapt their position.

PROPORTION OF EMPLOYEES WHO RECEIVED TRAINING ON ETHICAL RISKS

	2019	2020	2021	2022
Number of employees exposed to risks	101	140	175	191
Number of employees trained	95	130	175	191
Proportion of risk-exposed employees who received training	94.06%	92.86%	100%	100%

Respect for human rights

Carmila pays particular attention to respect for human rights, which is an integral part of the policies of several departments, including the Human Resources and Purchasing departments.

Carmila promotes compliance with the provisions of the International Labour Organization's fundamental conventions regarding:

- freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation;
- fair remuneration;
- well-being at work (of particular relevance during the Covid-19 crisis period);
- elimination of forced and compulsory labour;
- effective abolition of child labour.

4.1.3.2 Responsible value chain

Carmila's purchases mainly involve services. Purchases for site development and renovation projects are made through delegated project management arrangements, and operational management purchases are made through the real-estate operation teams at Carrefour Property Gestion.

For all Carmila brand purchases, investment purchases and operating purchases, Carmila requires its suppliers to comply with an Ethics Charter. Requirements include adherence to the eight main conventions of the International Labour Organization (ILO) and the principles of the UN Global Compact.

By signing the charter, suppliers agree to adhere to the following five principles throughout all stages of the commercial relationship:

- comply strictly with legislation, on human rights in particular;
- avoid any infringement of competition law;
- avoid conflicts of interest;
- reject any corruption;
- guarantee confidentiality.

The signing of this charter is verified by Carrefour's internal audit and by a spot external audit conducted by independent audit firms selected by Carrefour. The INFANS Advisory Committee may also carry out or commission ad hoc verifications.

These external independent ad hoc verifications are carried out confidentially unless the committee, considering its recommendations have not been applied satisfactorily, and within four months of issue, decides to make the findings public.

Responsible Purchasing has been identified as a material issue in Carmila's CSR strategy. After conducting an assessment of Company purchasing practices and setting up working groups to arrive at a clear vision on responsible purchasing, Carmila drew up a Responsible Purchasing Charter in 2021. This charter was defined in line with Carmila's CSR strategy, the recommendations of industry organisations and the expectations of ESG rating agencies.

This document commits all suppliers or service providers under contract with Carmila to a more responsible approach. The charter contains four parts:

- mutual commitments between Carmila and the supplier, including ethical obligations;
- environmental impact management, detailing the measures to be implemented in relation to energy, carbon, waste, resources, biodiversity and product quality management;
- employment and local integration, covering the legal framework for employment, diversity and fighting discrimination, inclusion, employee training and local proximity;
- responsible commitments, with reference to the importance of shared responsibility throughout the supplier's value chain.

This charter covers all the types of purchases made by Carmila, as well as purchases made on behalf of Carmila as part of works contracts or in relation to the operation of its shopping centres. Roll-out of the charter began in 2022. By the end of 2022, 70% of Carmila's service providers and suppliers in France had signed the Responsible Purchasing Charter. All works contracts signed after June 2022 include the Responsible Purchasing Charter for all companies. The charter has been translated into Spanish and Italian so that it can be incorporated into purchasing practices across the entire Group, as it is in France.

In addition to this contractual document, Carmila has developed and continues to develop specific tools for certain categories of purchases.

In particular, since 2020 in France, the following tools have been available for investment purchases on project development made through delegated project management:

- a CSR questionnaire to assess suppliers' CSR performance (first test performed on Laval during the tender phase);
- CSR appendices for structural work, road works and service connections.

In 2021, a Responsible Purchasing approach was incorporated into the selection of Christmas decoration service providers: during the tender phase, service providers fill in a questionnaire describing their CSR practices, clauses linked to Carmila's CSR strategy are included in the specifications and a CSR score allocated and taken into account in the final selection process.

In addition, existing good practices have been maintained:

- A local purchasing index has been in operation for the last four years. Insofar as possible, Carmila and its partner Carrefour Property Gestion are keen to promote local businesses when carrying out extension, renovation and construction works. Local contractors accounted for around 45.9% (nearly €4 million) of the 83 lots awarded on current projects in 2022. This represents a decrease of 18%, down from 64% in 2021. The fall below the 50% mark is due to two main factors: inflation, which impelled Carmila to pool negotiations with multi-site actors, and project type. In 2022, most works projects involved adapting restaurants to align with nationwide concepts. Clause on employment openings for people who have difficulty accessing the job market: Carmila includes an administrative clause in its contracts to promote social integration through employment. Contractors for the main lots (in value and number of hours worked) must allocate 5% of the total number of hours worked on the project to target groups in support of their professional integration.
- Safety and legal compliance of construction sites is covered by a prevention and control system. At each site, a health and safety officer oversees safety across all the contractors involved. To ensure the highest customer safety, the contract drafted by Carmila expands the health and safety officer's remit beyond the site itself. In accordance with the French Duty of Care law, Carmila requires all contractors working on its sites to provide documents attesting to the legality of their activities, legal coverage of employees and valid insurance coverage. On its extension projects, Carmila calls in additional services to monitor staff working on the site and verify their identity. The aim of these regular, unannounced checks is to prevent undeclared subcontracting and avoid calling upon personnel who cannot be checked through the building industry ID card.
- Carrefour's Supplier Ethics and Social Charter is systematically appended to all works contracts under delegated management.
- The Green Construction Site Charter drafted in France covers 100% of Carmila works contracts and therefore BREEAM-certified construction sites under delegated project management. This charter is signed by all contractors. It forms the framework for practices at the construction site regarding any soil and air pollution, areas designated as requiring special protection on ecological grounds, minimum impact of noise and vibrations on the local community, and minimum on-site water and energy consumption.

4.2 Here we act for the planet

The real estate sector is having to adapt to climate change and the increasing scarcity of natural resources to respond to environmental, societal and regulatory requirements.

In 2020 and 2021, Carmila conducted an environmental performance audit campaign on some ten French assets and about ten Spanish and Italian sites to define new objectives for the environmental component of its CSR strategy. In 2022, Carmila focused on identifying and quantifying decarbonisation levers of action that could be implemented across its entire portfolio while accounting for the specific characteristics of the three countries where the Company is present.

4.2.1 Combating climate change

4.2.1.1 Low-carbon strategy

Definition

In terms of construction and site operation combined, buildings account for around 20% of global greenhouse gas emissions with a direct impact on climate change. This sets a major challenge for Carmila, which has committed to a low-carbon strategy in line with the Paris Agreement. In 2021, following the latest IPCC (Intergovernmental Panel on Climate Change) report and as part of its new strategic plan for sustainable growth and development, Carmila strengthened its greenhouse gas reduction ambitions.

Policies

To meet the targets of the Paris Agreement and comply with SBTi guidelines, Carmila's decarbonisation policy is built around three areas of action:

- achieving net-zero emissions by 2030 on Scopes 1 & 2 (direct emissions);
- achieving net-zero emissions by 2040 across its entire carbon footprint;
- limiting itself to offsetting no more than 10% of its emissions.

In 2022, Carmila decided to support agroecology as part of its offset strategy by signing a partnership with TerraTerre.

Carmila has laid out a financing plan, investing €203,603 over five years to avoid or sequester the equivalent of 4,198 tonnes of CO_2. All financed carbon credits will be guaranteed by the French low-carbon label (*Label Bas Carbone*), created by the French Ministry of Ecological Transition, and issued at the end of the five-year certification programme. The Label Bas Carbone introduces an innovative and transparent framework for funding local projects to reduce greenhouse gas emissions. As a result, it provides a way of supporting the environmental transition at the regional level, by encouraging changes in usual practices.

Action plans

In 2022, Carmila continued to improve the accuracy of its carbon footprint calculation, in particular the measurement of greenhouse gas emissions from the energy consumed by its tenants. The Scope 3 calculation was reperformed in all three countries.

The improvement drivers were organised in order of priority by country and the required investments defined up to 2030. The corresponding action plans have been defined, including:

- Energy:
  - energy efficiency measures for assets in all three countries (Scopes 1 & 2);
  - energy efficiency improvements in private areas (Scope 3);
  - use of a green electricity supplier for a portion of the Spanish assets.
- Waste:
  - improved waste sorting and recovery rates (Scope 3).
- Mobility:
  - installation of electric vehicle charging stations and eco-mobility solutions for visitors (Scope 3).
- Purchases and services, construction:
  - systematic life-cycle analysis on new construction, extension and major renovation projects.

Lastly, in partnership with TerraTerre, Carmila is supporting ten farms – all located within 22 km of a Carmila shopping centre – in their agroecological transition. Farmers implement a wide variety of initiatives to limit their carbon impact, including reducing use of fertilisers, planting hedges and trees, changing animal feed, improving land and livestock management, and installing renewable energy production to power infrastructure.

OUTCOMES

The 2019-2030 carbon trajectory was validated by the SBTi:

- a 1.5°C trajectory for Scopes 1 & 2 with a 50% reduction in emissions;
- a 2°C trajectory for Scope 3 with a 13.5% reduction in emissions from this scope (corresponding to emissions upstream and downstream from its value chain).

For the offset programme with TerraTerre:

- 10 farms were funded;
- 4,198 tCO_2 equivalent were avoided or sequestered;
- a budget of just over €200,000 was used.

BREAKDOWN OF GHG EMISSIONS BY SCOPE AND ITEM FOR THE THREE COUNTRIES – REPORTED SCOPE

	Unit	2019 – Baseline	2020	2021	2022
Total Scope 1 GHG emissions	**tCO_2e**	**7,665**	**7,184**	**8,326**	**7,480**
Refrigerant leaks	tCO_2e	582	148	793	349
Company vehicles[1]	tCO_2e	384	392	539	350
Location-based – Energy consumed by common and private areas using shared equipment **under direct management** by Carmila	tCO_2e	6,699	6,644	6,994	6,782
Total Scope 2 GHG emissions (market-based)	**tCO_2e**	**28,685**	**25,871**	**16,645**	**16,331**
Location-based – Energy consumed by common and private areas using shared equipment **under direct management** by Carmila	tCO_2e	18,334	16,359	15,679	14,944
Market-based[2] – Energy consumed by common and private areas using shared equipment **under direct management** by Carmila	tCO_2e	28,685	25,871	16,645	16,331
Total Scope 3 GHG emissions with significant control[1]	**tCO_2e**	**52,405**	**19,276**	**30,601**	**27,842**
Waste[3]	tCO_2e	4,842	4,190	10,801	13,384
Purchases	tCO_2e	9,804	9,543	11,540	12,727
Employee transport	tCO_2e	471	136	120	839
Construction	tCO_2e	37,288	5,407	8,139	892
Total Scope 3 GHG emissions with low control (market-based)	**tCO_2e**	**886,628**	**612,334**	**542,362**	**504,985**
Location-based – Upstream portion of energy consumed by common and private areas using shared equipment **under direct management** by Carmila	tCO_2e	2,417	2,326	2,248	2,166
Market-based[2] – Upstream portion of energy consumed by common and private areas using shared equipment **under direct management** by Carmila	tCO_2e	7,765	7,099	6,838	6,605
Location-based – Upstream portion of energy consumed by common and private areas using shared equipment **under indirect management** by Carmila	tCO_2e	76	95	42	35
Market-based[2] – Upstream portion of energy consumed by common and private areas using shared equipment **under indirect management** by Carmila	tCO_2e	59	76	35	33
Energy consumed by private areas	tCO_2e	75,980	20,842	17,714	29,536
Visitor transport	tCO_2e	802,826	584,317	517,775	468,811
Overall GHG emissions, all scopes – market-based[2]	**TCO_2E**	**975,383**	**664,665**	**597,934**	**556,639**
Overall GHG emissions, all scopes – location-based	**TCO_2E**	**959,701**	**650,400**	**592,385**	**550,815**

(1) All Scope 3 items were calculated for France, Spain and Italy.
(2) For the market-based methodology, the factors used for electricity are those of the Group's suppliers in France. For the other countries, these are the AIB residual emission factors.
(3) The ADEME emission factor values were updated in 2022. They are greater than those used in 2019 and 2020 due to developments observed around end-of-life waste but also due to significant changes in methodology.

CHANGE IN SCOPES 1 & 2 CARBON FOOTPRINT[1]

	Unit	2019 – Baseline	2020	2021	2022	Change 2022 versus 2019
Carbon footprint, Scopes 1 & 2 – Market-based	$ktCO_2e$	36.4	33.1	25.0	23.8	-34.5%
Carbon footprint, Scopes 1 & 2 – Location-based	$ktCO_2e$	26.0	23.5	24.0	22.4	-13.7%

(1) Scopes 1 & 2 data include the carbon emissions from energy consumed by common and private areas using shared equipment in Scopes 1 & 2 across the three countries, refrigerant leaks across the three countries, and Company vehicles in France only.

CHANGE IN CARBON INTENSITY OF COMMON AREAS UNDER DIRECT MANAGEMENT

	Unit	2019 – Baseline	2020	2021	2022	Change 2022 versus 2019
Greenhouse gas emissions per sq.m. – market-based – reported scope	**$kgCO_2e$/ sq.m.**	**45**	**43**	**30**	**30**	**-33.3%**
Greenhouse gas emissions per sq.m. – France – market-based – reported scope	$kgCO_2e$/ sq.m.	13	13	11	12	-7.7%
Greenhouse gas emissions per sq.m. – Spain – market-based – reported scope	$ktCO_2e$	122	110	70	69	-43%
Greenhouse gas emissions per sq.m. – Italy – market-based – reported scope	$ktCO_2e$	66	61	66	58	-12%
Greenhouse gas emissions per sq.m. – location-based – reported scope[1]	**$ktCO_2e$**	**28**	**27**	**25**	**24**	**-14.3%**
Greenhouse gas emissions per sq.m. – France – location-based – reported scope	$ktCO_2e$	15	14	12	13	-13%
Greenhouse gas emissions per sq.m. – Spain – location-based – reported scope	$ktCO_2e$	57	52	50	49	-14%
Greenhouse gas emissions per sq.m. – Italy – location-based – reported scope	$ktCO_2e$	49	47	52	45	-8%
Greenhouse gas emissions per sq.m. – market-based – like-for-like scope	**$ktCO_2e$**	**46**	**42**	**32**	**32**	**-30.4%**
Greenhouse gas emissions per sq.m. – France – market-based – like-for-like scope	$ktCO_2e$	13	13	12	13	0%
Greenhouse gas emissions per sq.m. – Spain – market-based – like-for-like scope	$ktCO_2e$	122	110	70	68	-44%
Greenhouse gas emissions per sq.m. – Italy – market-based – like-for-like scope	$ktCO_2e$	66	61	66	58	-12%
Greenhouse gas emissions per sq.m. – location-based – like-for-like scope	**$ktCO_2e$**	**29**	**27**	**26**	**26**	**-10.3%**
Greenhouse gas emissions per sq.m. – France – location-based – like-for-like scope	$ktCO_2e$	15	14	13	14	-7%
Greenhouse gas emissions per sq.m. – Spain – location-based – like-for-like scope	$ktCO_2e$	57	52	50	48	-16%
Greenhouse gas emissions per sq.m. – Italy – location-based – like-for-like scope	$ktCO_2e$	49	47	52	45	-8%

(1) *The like-for-like scope covers assets included in the reporting for 2019, minus the eight sites sold between 2021 and 2022 (which Carmila no longer controls).*

DECODING THE RESULTS FOR SCOPES 1 & 2

Location-based greenhouse gas emissions from Scopes 1 & 2 decreased by 14% in 2022 compared to 2019. This reduction, which was directly linked to the improvement in the energy intensity of common areas, was due to several combined initiatives to enhance energy performance. Virtually the same methodology was used as that in the previous year.

The choice of energy supply sources also impacted this reduction for some of the assets. This explains the 30% reduction in market-based emissions in 2022 compared to 2019 for Scopes 1 & 2. A supplier of electricity from renewable sources (in the form of a guarantee-of-origin certificate) was selected by Carrefour Spain to supply 14 Carrefour/Carmila shopping centres.

Both on a reported and like-for-like basis, carbon intensity remained fairly stable between 2021 and 2022 using both market-based and location-based methodologies. This stability is the combined result of the disposal of seven assets, the full resumption of shopping centre trading following the pandemic (comparable to 2019 levels), and energy efficiency action plans.

CHANGE IN SCOPE 3 CARBON FOOTPRINT[(1)(2)]

		2019 – Baseline	2020	2021	2022	Change 2022 versus 2019
Carbon footprint, Scope 3 – Market-based	$ktCO_2e$	136.2	47.3	55.2	64.0	-53.0%
Carbon footprint, Scope 3 – Location-based	$ktCO_2e$	130.9	42.5	50.6	59.6	-54.5%

(1) *The Scope 3 assessment includes the carbon emissions of the items listed in Scope 3 in the carbon assessment above.*
(2) *In accordance with the rules of the GHG Protocol and the market-based objective certified by the Science Based Targets initiative for Carmila, this calculation covers all Scope 3 items except visitor travel.*

DECODING THE RESULTS FOR SCOPE 3

The Scope 3 items in Carmila's carbon footprint include sources of emissions that can vary greatly from one year to the next. This is the case for the Construction caption, which depends on Carmila's property development activity and decreased by 75% between 2019 and 2022.

The small increase in Scope 3 emissions between 2021 and 2022 is due to various factors:

Resumption of activity in 2021 and 2022 following the pandemic: higher volume of waste treated and/or higher volume of purchases:

- changes in methodology:
  - the increase in emissions linked to the management of shopping centre retailer waste as a result of ADEME's revised emission factors led to a significant increase in the Waste item;
  - the revision of the Construction emission factor in order to align with current construction practices.

4.2.1.2 Energy efficiency and frugality

Definition

In 2020, following a first wave of audits, Carmila made a commitment to go beyond the requirements of the French tertiary sector decree to reduce energy consumption in the services sector, setting itself the objective of cutting energy used in the common areas by 40% between 2019 and 2030, whereas the decree allows it to refer back to 2014, the year Carmila was created.

Policies

Achieving the reduction targets requires the implementation of a comprehensive energy strategy:

- a detailed view of the condition of the shopping centre network, including better understanding and management of consumption data;
- identification of ways to regulate and reduce consumption for each asset;
- a multi-year investment plan for implementing solutions.

During site operations, the energy management policy has three different levels:

- optimised monitoring: phase-in of remote kW reading for the main electricity meter and sub-metres, so that the energy consumed by different uses (lighting, heating and air conditioning) can be measured more accurately. These analytical readings are accessible via a dedicated web portal, enabling teams to react promptly to changes in consumption, taking corrective measures on any excess consumption observed;
- technical improvements: phase-in of high-energy-efficiency building management systems (BMS) and discussions on building improvements, with an emphasis on ventilation, natural lighting and LED-type low-energy lighting;
- alert mechanisms: automated alerts on runaway energy consumption.

On new constructions, all extension projects coming into service since 2016 feature high energy performance, with systematic integration of building management systems (BMS) and insulation at least 20% higher than RT2012 requirements.

Action plans

In terms of initiatives to improve knowledge and management, various actions have been carried out:

- In France:
  - An energy map of Carmila's network was drawn up. This helped to determine a multi-year energy strategy with detailed action plans to be implemented for each asset. This study was also used to set the baseline year for each site, in application of France's tertiary sector decree, and to measure the remaining progress required to meet the regulatory target.
  - A data compilation and consolidation system (Énergisme) was set up to make the mapping and action plans dynamic.
  - As soon as the risk of a potential strain on the French electricity network was announced, Carmila joined the EcoWatt Charter signed by the Carrefour group. In signing this charter, Carmila aims to take immediate, real-time measures to reduce electricity consumption during periods of peak demand. As early as 2020, Carmila began pursuing a demand-side energy management policy, thereby contributing to the transition in the French electricity network. Carmila contracted with an energy flexibility aggregator for 26 shopping centres (seven more than the previous year). In 2022, the shopping centres collectively participated in six demand-side response orders, enabling 522 MWh of electricity to be saved. Over this period, the teams were able to observe that, if correctly operated, this flexible approach does not jeopardise user comfort or energy performance.
  - As part of the national energy efficiency plan announced by the French government, Carmila has pledged to reduce the energy consumption of shopping centres by 20% from next winter, compared with winter 2019-2020:
    - set-point temperature reduced to 17°C in winter, 26°C in summer or a maximum 7°C difference compared with the outside temperature,
    - non-essential lighting to be turned off (entrances, glass partitions, etc.),
    - motion-sensitive lighting to be installed in office areas,
    - illuminated signs and outdoor lighting to be turned off when shopping centres close,
    - acceleration of the ongoing plan to install LED lighting;
    - more energy-efficient Christmas decorations (100% LED lighting);
- In Spain, sub-meters were installed at 15 new centres in order to more accurately report consumption for the areas managed by Carmila. The 2022 campaign resulted in more accurate energy reporting for the centres concerned.

In terms of technical improvements, a new air treatment system was tested at two sites.

In 2022, with the support of the Environmental Performance Committee, Carmila installed innovative air handlers at the Orléans Place d'Arc and Toulouse Purpan centres, developed in partnership with Brest-based company ETT as an adiabatic cooling system.

The new air cooling equipment replaced less efficient systems, cutting the power used by the air handling system by 54%.

At Toulouse Purpan, the system replaced gas-fired power production (which has a higher carbon impact than electricity). When running in adiabatic cooling mode, the system works using the evaporative cooling principle. In heating mode is based on a thermodynamic cycle using R32, a refrigerant with a low global warming potential.

OUTCOMES

Energy consumption fell in 2022, despite the return to the 2019 retail trading levels. This performance results from the combination of actions to enhance energy performance, the improvement in reporting and management systems, and the commitment of all stakeholders involved in building management systems.

ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT) – REPORTED SCOPE

		Total			
	Unit	**2019 – Baseline**	**2020**	**2021**	**2022**
Fossil fuels	kWh net	38,599,145	38,115,158	39,855,838	38,879,866
Of which natural gas	*kWh net NCV*	*38,440,201*	*37,986,222*	*39,267,017*	*38,317,585*
Of which heating oil	*kWh net NCV*	*158,944*	*128,936*	*588,822*	*562,281*
Electricity	kWh net	120,296,356	110,088,381	100,193,475	95,745,970
District heating		799,547	814,850	1,929,090	1,599,652
Of which District heating	*kWh net*	*799,547*	*814,850*	*1,929,090*	*1,599,652*
Of which District cooling	*kWh net*	*0*	*0*	*0*	*0*
Other energies	kWh net	0	0	0	0
Overall energy consumption	**kWh net**	**159,695,048**	**149,018,388**	**141,978,403**	**136,225,487**
Per sq.m.(1)	**KWH NET/ SQ.M.**	**151**	**135**	**129**	**127**

(1) The methodology for calculating energy intensity changed in 2022. In accordance with FACT reporting guidelines, in France, energy consumed by car parks is no longer included in the numerator for energy intensity. The surface area of business parks was also recalculated. As in the previous year, retail units using shared equipment managed by Carmila were identified and included, according to EPRA calculation guidelines. It should also be noted that these methodological changes have been applied retroactively to the results for 2019 and 2021.

ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT) – LIKE-FOR-LIKE SCOPE(2)

		Total			
	Unit	**2019 – Baseline**	**2020**	**2021**	**2022**
Fossil fuels	kWh net	38,107,626	36,957,668	38,733,094	38,879,866
Of which gas	*kWh net NCV*	*37,950,242*	*36,828,732*	*38,146,848*	*38,317,585*
Of which heating oil	*kWh net NCV*	*157,384*	*128,936*	*586,247*	*562,281*
Electricity	kWh net	118,521,088	108,719,189	99,051,124	95,745,970
District network	kWh net	799,547	814,850	1,929,090	1,599,652
Of which District heating	*kWh net*	*799,547*	*814,850*	*1,929,090*	*1,599,652*
Of which District cooling	*kWh net*	*0*	*0*	*0*	*0*
Other energies	kWh net	0	0	0	0
Overall energy consumption	**kWh net**	**157,428,261**	**146,491,706**	**139,713,308**	**136,225,487**
Per sq.m.(1)	**KWH NET/ SQ.M.**	**154**	**137**	**131**	**127**

(1) The methodology for calculating energy intensity changed in 2022. In accordance with FACT reporting guidelines, in France, energy consumed by car parks is no longer included in the numerator for energy intensity. The surface area of business parks was also recalculated. As in the previous year, retail units using shared equipment managed by Carmila were identified and included, according to EPRA calculation guidelines. It should also be noted that these methodological changes have been applied retroactively to the results for 2019 and 2021.

(2) The like-for-like scope covers assets included in the reporting for 2019, minus the eight sites sold between 2021 and 2022 (which Carmila no longer controls).

CHANGE IN ENERGY INTENSITY OF COMMON AREAS (AND PRIVATE AREAS USING SHARED EQUIPMENT)

		2019 – Baseline	2020	2021	2022	Change 2022 versus 2019
Energy intensity – Reported scope	**kWh net/sq.m.**	**151**	**135**	**129**	**127**	**-15.9%**
Energy intensity – France – Reported scope	kWh net/sq.m.	118	103	94	96	-18.6%
Energy intensity – Spain – Reported scope	kWh net/sq.m.	243	220	210	205	-15.6%
Energy intensity – Italy – Reported scope	kWh net/sq.m.	150	153	175	150	0%
Energy intensity – Like-for-like scope[(1)]	**kWh net/sq.m.**	**154**	**137**	**131**	**127**	**-17.5%**
Energy intensity – France – Like-for-like scope	kWh net/sq.m.	121	104	96	96	-20.7%
Energy intensity – Spain – Like-for-like scope	kWh net/sq.m.	243	220	210	205	-15.6%
Energy intensity – Italy – Like-for-like scope	kWh net/sq.m.	150	153	175	150	0%

(1) *The like-for-like scope covers assets included in the reporting for 2019, minus the eight sites sold between 2021 and 2022 (which Carmila no longer controls).*

ANALYSIS OF OUTCOMES

The overall trend between 2021 and 2022 showed a decrease in intensity, but the difference was small due to the combined effect of energy efficiency action plans and the return to normal business activity after the pandemic.

WEATHER IMPACT ON THE CHANGE IN ENERGY INTENSITY

In 2021, the consultancy firm Oksigen assisted Carmila in studying the energy consumption of its French assets in order to factor out the weather impact and to highlight only the changes in the portfolio's consumption due to the Group's energy efficiency measures (the Covid-19 impact could not however be taken into account in this study)[(1)].

The study covered 57 sites in France and submitted the following findings:

- changes in electricity consumption:
  - between 2020 and 2021: a 7.6% decrease in consumption excluding the weather factor and a 10.5% decrease adjusted for weather conditions,
  - between 2019 and 2021: a 20.6% decrease in consumption excluding the weather factor and a 26.1% decrease adjusted for weather conditions;
- changes in gas consumption:
  - between 2020 and 2021: a 1.5% increase in consumption excluding the weather factor and a final decrease of 6.5% adjusted for weather conditions (harsher winter weather in 2021).

Lastly, this study, whose non-climate-adjusted results are consistent with the annual reporting findings, highlighted the positive results of the energy efficiency initiatives implemented by Carmila and Carrefour Property Gestion.

4.2.1.3 Eco-mobility

Definition

To reduce Scope 3 greenhouse gas emissions, Carmila encourages the development of eco-mobility (bikes, electric vehicles, public transport and car sharing).

Policies

Measures are taken to encourage the use of green transport and to raise awareness on this issue among visitors and employees, including:

- effective communication about getting to our shopping centres;
- where possible, additional stops agreed with bus companies;
- car-sharing areas;
- charging stations for electric vehicles;
- charging stations for electric bikes;
- bike lanes and shelters.

Action plans

In 2021, an in-depth inventory was carried out in each shopping centre to identify the eco-mobility facilities available on-site or nearby, within a radius of 500 metres. This inventory was updated in 2022 to take into account the charging points installed as part of the campaign to deploy electric charging stations, which intensified over the year.

In addition, all available public transport solutions are now specified on the websites of each shopping centre in order to encourage users to opt for these modes of transport.

OUTCOMES

98.5% of Carmila shopping centres in France, Spain and Italy offer at least one eco-mobility solution. Users have an average of 1.9 solutions available to get to Carmila shopping centres. More than half of Carmila's shopping centres now have electric charging stations.

By 2023, all Carmila shopping centres should have charging stations installed for electric vehicles. Actions will also be taken to improve communication about the available solutions.

(1) *Oksigen study, 9 February 2022.*

4.2.2 Conserving natural resources

4.2.2.1 Biodiversity

Definition

Preserving and strengthening biodiversity is a key focus of Carmila's CSR strategy. Carmila strives to systematically take steps to preserve and strengthen biodiversity at its sites, both on an everyday basis and in new project developments.

Policies

Carmila is committed to ensuring that all shopping centres have implemented at least one initiative to foster biodiversity by 2023:

- installation of insect hotels;
- installation of beehives;
- educational vegetable garden;
- flowering meadow;
- bird shelters;
- eco-pasture;
- green wall;
- responsible landscaping maintenance;
- BiodiverCity® certification for development projects.

Action plans

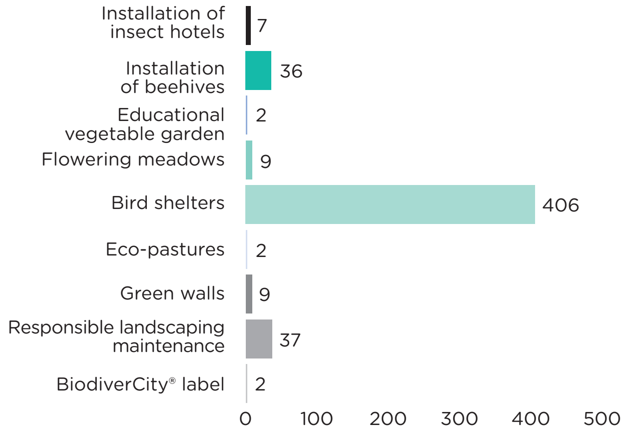
An update of the inventory of actions to promote biodiversity was carried out in 2022 on the entire France, Spain and Italy scope. Carmila also launched a campaign to survey the surface area of green spaces on its sites. At the end of 2022, 94% (by asset value) of shopping centres had been surveyed. Green spaces accounted for an average of 14.8% of the land, totalling almost 2 million sq.m. of green space for the entire Carmila portfolio. The inventory will be completed in 2023.

In France, the "Responsible Maintenance" Charter has been incorporated into the call for tenders for landscaping maintenance. At the end of 2022, 37 centres had updated their contracts to include the charter. To improve practices for renovating, designing and maintaining green spaces, Carmila teamed up with the company Gondwana to draw up a guide to plant varieties that promote biodiversity at its shopping centres. This multi-criteria guide describes the tree, shrub, creeper and herbaceous plant species that work best for each bioclimatic region and provides advice on good planting and maintenance practices.

OUTCOMES

At the end of 2022, 50.5% of Carmila shopping centres had implemented at least one initiative to protect biodiversity.

Across the 94% of Carmila sites surveyed, nearly 2 million sq.m. of green space was identified, representing 14.8% of its total land.



4.2.2.2 Waste and the circular economy

Definition

Carmila has undertaken to recover all waste from shopping centre common and private areas under management in the form of materials or energy.

Policies

In 2019, Carmila brought in an efficient waste management and accounting system, enabling it to accurately calculate the waste recovery rate. Achieving the target involves defining a comprehensive local waste management policy:

- flow management procedures by site;
- division of roles and responsibilities between tenant and landlord.

In addition, Carmila is working to raise awareness among retailers and visitors and to support local initiatives in favour of the circular economy, including reducing food waste at source, providing a second-hand offering and recycling textile waste.

Action plans

Since 2021, Carmila has been supported by waste management experts to supplement the initial assessments and draw up action plans.

In 2022, Carmila conducted eight audits, in addition to the first two performed in 2021. These audits identified the strengths and improvement drivers which were then used to develop action plans for the entire portfolio. The main features of this strategy cover:

- waste sorting and storage equipment used at shopping centres;
- contracts and agreements governing waste collection and treatment;
- the tools available for monitoring the financial and environmental performance of services;
- communication, awareness and training initiatives aimed at stakeholders;
- best design/renovation practices for waste facilities.

To improve the quality of waste sorting at its sites, Carmila will implement these action plans in 2023, starting with a call for tenders to update its waste collection and treatment contracts.

Waste reduction at source

In line with the French Anti-Waste, Circular Economy (AGEC) law, Carmila is developing solutions to reduce waste at source.

Carmila continues to partner with Too Good To Go, which resells food products in the form of gift baskets. In 2022, 273 tonnes of food products in Carmila shopping centres were saved from being thrown away.

Carmila also organised a dozen or so furniture and clothing donation events during the year, giving clothes, furniture and other items a second life. From all the clothing collections organised in 2022, 20 tonnes of clothing were collected for non-profits such as the Red Cross and Secours Populaire.

Outcomes

WASTE RECOVERY RATE – REPORTED SCOPE

	2020	2021	2022	Change 2022 versus 2021
Total (tonnes)	25,061	23,198	24,460	+5%
Recovered *(tonnes)*	**14,271**	**13,615**	**15,102**	**+11%**
% recovered	**57%**	**59%**	**62%**	**+3 PTS**

WASTE RECOVERY RATE – LIKE-FOR-LIKE SCOPE

	2021	2022	Change 2022 versus 2021
Total	22,122	24,446	+11%
Recovered	**13,082**	**15,099**	**+15%**
% recovered	**59%**	**62%**	**+3 PTS**

ANALYSIS OF OUTCOMES

The reporting method was reviewed in 2022 to check its reliability. A period of observation of the amounts of waste produced at a sample of centres in Italy confirmed the figures obtained using the method for estimating missing data developed at the end of 2021. In addition, the reliability of the specified treatment method (recovered/not recovered) for these estimated waste volumes was improved thanks to third-party reports.

In 2022, the amount of waste produced was about 10% higher than in 2021 (like-for-like scope), a result of the return of business activity at Carmila shopping centres to 2019 levels.

The energy and material recovery rate increased by three percentage points compared to 2022. This increase was due to improved sorting rates at shopping centres.

4.2.2.3 Water

Definition

The drive to empower teams to manage resources includes taking into account the environmental impacts of water use.

In 2020, following the environmental audit, Carmila adapted its monitoring of water consumption by setting a target of less than one litre per visitor per year for all water uses by 2025.

Policies

The management of water consumption at shopping centres entails improving sub-meters to identify sources of excess consumption.

Action plan

Water consumption monitoring encourages good practices in the design and operation of water management systems with devices such as water-saving taps, leak detectors, shutdown valves on sanitary equipment and drip watering systems.

Outcomes

WATER INTENSITY (CU.M./SQ.M.) REPORTED AND LIKE-FOR-LIKE SCOPE

	Unit	Total 2020	2021	2022	Change 2022 versus 2021
Consumption (reported)	cu.m.	562,700	521,901	511,296	-2%
Consumption (like for like)	cu.m.	556,115	515,924	511,296	-0.9%
... Per sq.m. (reported)	**CU.M./SQ.M.**	**0.79**	**0.73**	**0.78**	**+6.4%**
... Per sq.m. (like for like)	**CU.M./SQ.M.**	**0.85**	**0.79**	**0.78**	**-0.9%**

WATER INTENSITY (LITRES/VISITOR) – REPORTED AND LIKE-FOR-LIKE SCOPE

	Unit	Total 2020	2021	2022	Change 2022 versus 2021
Consumption (reported)	cu.m.	416,127	381,656	521,788	+36.7%
Consumption (like for like)	cu.m.	417,246	349,316	409,384	+17.2%
... Per visitor	**LITRES/ VISITOR**	**1.02**	**1.03**	**1.18**	**+15%**
... Per visitor	**LITRES/ VISITOR**	**1.06**	**0.89**	**1.04**	**+17.2%**

ANALYSIS OF OUTCOMES

The rise in water consumption between 2020 and 2022 reflects:

- changes in the reporting methodology, especially the update of consumption figures from the 2021 reporting.
- the resumption of activity at shopping centres in 2022, bearing in mind that water consumption for France only includes the consumption of sanitary facilities in common areas.

4.2.3 Green value

4.2.3.1 Environmental certifications

Definition

To safeguard the value of its assets by taking sustainable development issues into account during the construction and operation of its sites, Carmila has embarked upon an ambitious environmental certification policy, based solely on the BREEAM framework for the built environment. The internationally recognised BREEAM standards set out efficient and environmentally sound design and management principles. The assessment covers some 70 criteria across ten categories, including sustainable project management practices, biodiversity, energy efficiency, choice of materials, waste and water management, comfort, transport and the various types of pollution.

Policy

In 2020, Carmila committed to certifying 100% of its assets to at least one of the two following BREEAM standards by 2025:

- BREEAM New Construction certification for all extension projects of more than 2,000 sq.m.;
- BREEAM In-Use certification for sites in operation.

This objective illustrates Carmila's commitment to minimising its environmental impact at each stage in a building's life-cycle.

Over the course of the certification cycles, Carmila capitalises on the actions implemented at Group level and at the level of each asset, enabling it to improve the certification profile of its assets. Shopping centres whose BREEAM In-Use certification expires within a year are systematically recertified to the latest, more ambitious version of the standard.

OUTCOMES

In 2022, Carmila had 19 shopping centres certified for the first time (10 in Spain and 9 in France) and 34 shopping centres recertified (20 in France, 10 in Spain and 4 in Italy). In both cases, the certifications were conducted on the basis of the new BREEAM In-Use V6 standard.

In 2022, Carmila's BREEAM In-Use certification rate stood at 97.1% of the portfolio in terms of value, with 33% of sites rated Very Good.

In 2023, the certification campaign will cover some 60 sites and will continue to be based on the new BREEAM In-Use V6 standard.

ENVIRONMENTAL CERTIFICATION RATE

	2020	2021	2022
% total assets certified	**87.7%**	**93.4%**	**97.1%**

4.2.3.2 Climate Resilience Plan

Definition

Adapting to climate change is now a central concern for real estate companies which will have to face a sometimes significant change in their assets' operating conditions. Carmila's strategy on resilience to climate change covers site construction and operation.

Policies

In 2020, Carmila conducted an analysis with Carbon 4 of the resilience of its assets through to 2050. The global warming scenario considered was the worst-case RCP 8.5, established by the Intergovernmental Panel on Climate Change (IPCC). This involved a cross-cutting analysis through to 2050 of potential natural hazards exacerbated by climate change against the potential vulnerability of Carmila sites. The resulting site risk ratings were then examined to determine specific actions for safeguarding assets in each particular instance.

On new project developments and major renovations, long-term resilience is factored in at the design phase:

- the bioclimatic architecture of our shopping centres aims to reduce energy consumption thanks to access to natural light, materials with high thermal inertia, optimised façade orientation, and roofs with greenery or high solar reflectivity to reduce heating and air conditioning needs;
- renewable energy sources (such as solar water heaters, heat pumps and geothermal energy) are incorporated whenever possible;
- each project is designed to blend as unobtrusively as possible into the natural or urban environment and to minimise its impact on the environment.

Action plan

For the first year of the BREEAM In-Use certification campaign for Carmila assets, RSL 06 and 07 credits were taken into account. This means that site-specific studies incorporate climate change into the assessment of transition, social (customer satisfaction, health and safety, market, political and regulatory) and financial risks. Specifically, an asset's carbon risk is assessed using the CRREM tool for analysing exposure to market and technology risk.

OUTCOMES

In 2021, Carmila started to produce resilience records based on the findings of the study carried out in 2020 and on its most at-risk assets (i.e., assets with a resilience score of over 60 on a scale of 100, taking into account the vulnerability of the site and hazards). These records are divided into two sections:

- the asset score and the risks incurred for the identified hazard;
- the means of avoidance, mitigation or remediation that can be implemented.

In 2022, and to advance further, 23 sites underwent a specific climate assessment to determine the resilience and decarbonisation actions to be implemented at site level.

4.3 Here we act for local regions

Social impact is a key strand of Carmila's "Here we act" programme. Changes in consumer patterns and customer demand for greater transparency, traceability and a more environmentally-friendly approach require retailers and businesses to lead by example.

The shopping centre is designed as a living space that promotes the local economy, social ties and interaction with the local region. Some retail formats, such as Specialty Leasing stands, provide an opportunity for participants in the local economy to connect with new customers and visitors.

Broadly speaking, Carmila is prioritising relations with its tenants and visitors as a means of establishing a lasting local presence. These objectives are identified as key risks in the non-financial risk mapping.

As a result, the "Here we act for local regions" component of the CSR strategy is built around two commitments:

- a B2B commitment, supporting our retailers in developing their business;
- a B2C commitment through visitor and customer initiatives organised around key events at all centres.

4.3.1 At the heart of the local economy

4.3.1.1 Employment

Definition

Carmila has already prioritised employment, not only by supporting the local economy but also by helping retailers with the hiring process.

Policies

Carmila continued to coordinate the toolbox of solutions already available to shopping centre management teams:

- job vacancies page on the shopping centre's website;
- HucLink interactive terminals;
- job forums;
- a partnership with Student Pop, a student employment agency start-up;
- the "Shop Ton Job" vacancy bulletin board;
- the publication of job offers on the shopping centre's social networks;
- apprenticeship discovery days;
- partnerships with recruitment agencies.

Shopping centre management teams are in direct contact with local businesses. Accordingly, they are able to implement all the initiatives in their centres and be an innovative source of new actions.

The shopping centre's website is updated with job offers available at the shopping centre, including at the Carrefour hypermarket.

Action plans

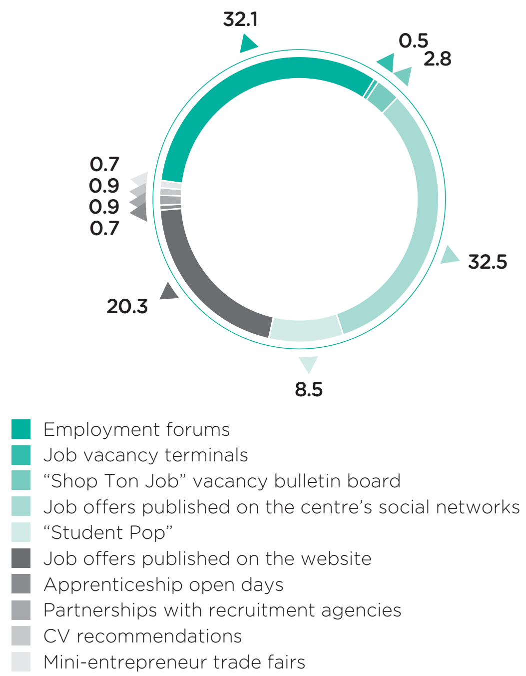
Carmila introduced two new programmes at certain centres in 2022:

- CV recommendations: if a retailer permanently closes its outlet, the employees' CVs are sent to the future tenant to help in the recruitment process in an effort to maintain as many jobs as possible for the people working at the centre;
- mini-entrepreneur trade fair: targeting secondary school pupils and students, this event aims to awaken the entrepreneurial spirit in young people.

OUTCOMES

In 2022, a total of 424 job support initiatives were rolled out across Carmila's sites. On the back of these initiatives, 98.2% of Carmila's shopping centres implemented at least one job initiative to support the local economy.

In France, more than 6,800 job offers were advertised through Carmila shopping centres in 2022, and 13% of the positions were filled during the events organised by Carmila.



In 2022, Carmila intends to continue to provide job support in each of its shopping centres by developing the tools already available.

4.3.1.2 Responsible offering

Definition

The responsible offering, which is an integral part of Carmila's purpose statement, is aligned with emerging customer expectations as well as with the distinctive offerings of certain retailers. Our customers have expressed their desire to move towards more responsible, more environmentally-friendly and more local consumption. Consumers are increasingly aware and better informed about these issues, and the social and solidarity economy is developing fast.

Amid current economic pressures, choosing second-hand retail as a priority focus of the responsible offering is also a way of improving our customers' purchasing power. To guarantee that this offering benefits from adequate visibility, only stores and stands that have a second-hand offering covering at least half of their leasable area are included.

Policies

In 2022, Carmila maintained regular committee meetings to monitor the development of the responsible offering, build action plans and review the tools already in use. It looked into new responsible sectors other than the second-hand offering, including "Made in France" products.

Action plans

Call for projects in the Lyon region

Launched by Carmila at the end of 2021, this call for projects consisted of seeking out responsible companies and awarding the winner preferential rent at one of the Carmila centres in the Lyon region. Eleven applications were submitted. The company Simplement Français won the call for projects and was able to test its offer throughout the month of April 2022 in two Carmila centres, Salaise-sur-Sanne and Francheville.

Working groups were set up with the representatives in Italy to help them identify relevant actors in the second-hand market. A first store opened in 2022.

OUTCOMES

At the end of 2022, a second-hand offering was available in 33 shopping centres, representing 42.4% of Carmila shopping centres with centre management teams (Group scope).

For 2023, the Responsible Offering Committee decided to maintain the 2022 target, i.e., a second-hand offering available at 38% of shopping centres with centre management teams.

4.3.1.3 Dialogue with retailers

Definition

Maintaining close ties with retailers is a key priority for Carmila. Once again this past year, shopping centre management, leasing and marketing teams focused on helping them boost their appeal and visibility.

Our retailers' perception of the utility of our support services is a critical factor that guides our actions. Carmila is therefore committed to measuring and monitoring retailer satisfaction.

Policies

In 2022, the coverage rate of the Group-wide retailer survey was maintained at 97% of the portfolio's value, and the findings therefore adequately represent Carmila's assets. The survey also includes questions relating to thermal comfort and air quality, in connection with the BREEAM In-Use certification of Carmila's shopping centres.

RETAILER SATISFACTION RATE

France	2020	2021	2022
Overall satisfaction rate	62%	66%	62%
Percentage of centres included in the survey *(number)*	44%	80%	80%

Group	2020	2021	2022
Satisfaction rate	N/A	65%	64%
Percentage of centres included in the survey *(number)*	N/A	88%	88%

OUTCOMES

The satisfaction rate was down slightly on the previous year at Group level, reaching 64%.

However, the NPS was up 3 points from 2021, due to a sharp rise in the NPS in Spain.

In 2023, Carmila wishes to carry on with the surveys while continuing to improve the reliability of the data collected.

4.3.1.4 Dialogue with customers

Definition

Our customer experience involves a journey of virtual and physical steps, each a touchpoint, from the first digital contact to visiting the centre, itself designed to be a vibrant place where visitors can interact socially. As part of efforts to continually improve the customer experience, Carmila takes visitor feedback into account in planning its renovations.

Dialogue with customers is essential to meeting their expectations more effectively, proactively responding to their needs and identifying ways to improve. This active listening is done through various survey tools.

POLICIES

Customer satisfaction survey	Measuring customer satisfaction across the entire shopping experience In-person survey conducted in the three countries since 2022	One to two waves – launched in 2015	France since 2015 Spain and Italy since 2019
Ongoing dialogue with customers	Gathering spontaneous and requested feedback from our customers via Google and from detailed questionnaires on various channels (emails, marketing Kiosks, website, etc.) Responding to customer reviews	Continuous	France
Mystery shoppers	Audit of the entire customer experience by a trained professional assessor, covering the centre's general condition, cleanliness, signage and staff	Quarterly, depending on the shopping centre	France 135 shopping centres

OUTCOMES

The overall customer and visitor satisfaction rate rose to 91.3% in 2022.

The consolidated Group-wide NPS increased 15 points between 2021 and 2022. This significant increase in NPS is correlated with the standardisation of the methodology across the Group's three countries (in-person survey now conducted in all three countries).

CUSTOMER AND VISITOR SATISFACTION RATE

Group	2020	2021	2022
Satisfaction rate	77.9%	86.8%	91.3%
Change in Group-wide NPS	N/A	First calculation of Group-wide NPS	+15

In 2023, Carmila intends to continue expanding survey coverage (especially in Spain) to improve the reliability of its consolidated Net Promoter Score (NPS) at Group level.

4.3.2 Our role as a corporate citizen

4.3.2.1 CSR events

Definition

For Carmila, social responsibility is also put into practice through initiatives that benefit people and the environment. Health and safety are major concerns for all shopping centre users. CSR events are divided into four main areas: community outreach, health and culture, ecology, and regional ties. Carmila aims to have all shopping centre management teams organise at least one CSR event each year.

Policies

CSR events are generally a way to raise awareness among employees, retailers and shoppers. Each shopping centre management team is responsible for devising and putting in place events aimed at all audiences, forging partnerships with local non-profits to enable them to reach a wider audience.

Action plans

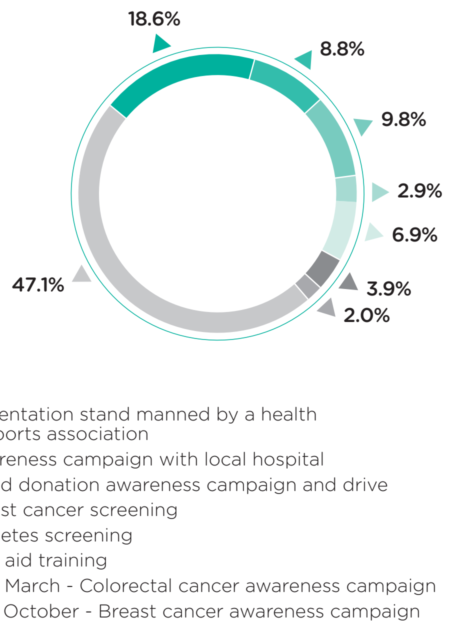
CSR events can be chosen from a catalogue of CSR actions featuring on the Lakaa platform set up in early 2021. New initiatives can be added based on proposals from centre management teams and are ultimately validated by the CSR department.

The platform also makes it easier to report on the actions carried out in the centres as they occur. Mandatory fields (start date, partners, photos, key indicators) are defined to ensure the strength of the actions reported.

Health

In 2022, Carmila continued to raise awareness of public health issues such as blood donation, diabetes screening and cancer screening.

In France, 48 centres took part in Pink October, an international event aimed at raising awareness about breast cancer screening and treatment. The various activities included a sports event, a photo exhibition, a self-examination workshop, free screening and a donation collection. More than €30,000 was raised for the non-profits supporting this cause in 2022.



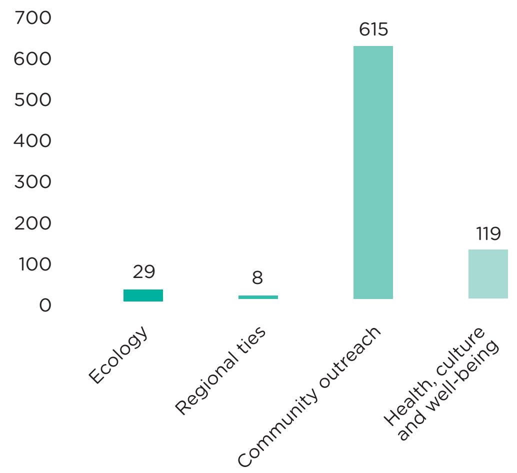
OUTCOMES

A total of 1,427 CSR events were organised Group-wide in 2022.

At Group level, 99.5% of centre management teams organised a CSR event in 2022 on one of the four themes selected: community outreach, health and culture, ecology, and regional ties.

As in previous years, the vast majority of actions at shopping centres (80% in number in 2022 in France) involved community outreach.

Health, the second most popular theme at shopping centres, was the focus of specific events at more than 85% of the Group's centres.



	2020	2021	2022
Number of CSR events (Group)	**797**	**1,121**	**1,427**
Year-on-year change	-51%	+41%	+27%

4.3.2.2 Community outreach

Definition

Carmila has chosen to take part in community outreach actions in two ways:

- through financial sponsorship of charities;
- by offering charities favourable terms at its centres.

Policies

In a context marked by the widening regional divide in France, 60% of young people now grow up outside major cities, with deep inequalities of opportunity due to a lack of information and prospects in rural areas and small towns. Embedded in the heart of the regions, in late 2021 Carmila began working alongside Chemins d'Avenirs, a non-profit organisation that unleashes the potential of young people by supporting them throughout their educational, professional and civic journeys. This collaboration was renewed at the end of 2022 and is based on three major commitments:

- helping the non-profit to expand to new regions;
- enhancing professional opportunities for young beneficiaries by offering them contacts for internships and work-study opportunities in the shopping centres or with partner retailers;
- mobilising Carmila employees to support young people.

In Spain, Carmila supported three non-profits throughout 2022:

- the ADSIS foundation, which works to build a fairer society through various programmes focused for example on education for young people, training and employment and reception centres;
- ONCE, a foundation that selects and trains guide dogs for the visually impaired;
- AECC (*Asociación Española Contra el Cáncer*), which raises awareness about different forms of cancer, supports and assists patients, and invests in research to combat the disease.

In Italy, Carmila decided to financially support Telefono Azzurro, a non-profit that works to defend the rights of children and teens, to protect them against all forms of abuse and violence, and to support parents who are struggling with their children. The organisation offers 24/7 helpline assistance.

Spaces are made available to charities either free of charge or on preferential financial terms. The objective is to increase their visibility and recognition, thereby boosting fundraising initiatives in support of their actions.

In 2023, Carmila wants each shopping centre management team to continue to support a community outreach cause, with priority given to topics involving children. Carmila will also continue its national partnership with Chemins d'Avenirs, initiated in 2021.

Action plans

In the shopping centres, more than 1,000 community outreach initiatives were carried out in France, Spain and Italy in 2022. Shopping centre management teams supported various local non-profits such as Secours Populaire, Restos du Coeur, the Food Bank, the Red Cross and 1 2 3 Soleil.

In France, over the course of the two key nationwide events organised in July and December for poor or sick children, the centre management teams collected more than 170 kg of school supplies, 3 tonnes of toys, more than 500 kg of clothing and nearly €40,000 in donations for the participating local or national non-profits.

OUTCOMES

Across the Group, 99.5% of centre management teams supported a community outreach cause in 2022, with 76% of shopping centres supporting a non-profit that helps poor or sick children.

Fundraising for non-profits

Carmila shopping centres in France organised a number of fundraising campaigns for non-profit organisations, collecting a total of €180,000.

Sponsorship

A €180,000 budget was allocated to charity sponsorship programmes.

4.4 Here we act for employees

4.4.1 Foster diversity

Definition

Respecting diversity and rejecting all forms of discrimination and harassment are two of the principles in Carmila's Code of Ethics, which all employees receive when they join. These commitments are inspired by the International Labour Organization conventions on equal remuneration (No. 100) and discrimination (No. 111).

The Human Resources department, management and staff act on a daily basis to promote an inclusive corporate culture based on the values of respect, equal opportunity and non-discrimination.

On the more specific issue of gender equality in the workplace, French law No. 2018-771 of 5 September 2018 and its implementing decree 2019-15 of 8 January 2019 specify the methods for calculating the gender equality index. With regard to Carmila's workforce, the criteria used to calculate the index are:

- gender pay gap;
- gender pay gap in terms of individual pay rises;
- pay rises for women returning from maternity leave;
- representation of women among the top ten highest paid employees.

Policies

Carmila pledges to fight all forms of discrimination and strives to implement a policy that promotes equal opportunity and diversity. This diversity and non-discrimination policy applies to all Human Resources procedures and decisions related to working conditions, particularly recruitment, annual performance appraisals, variable compensation plans, training and career development.

Carmila wishes to promote the employment of young people and pledges to maintain more than 10% of employees on work-study programmes out of its total staff.

In order to promote gender equality within the organisation and to improve its gender equality index over time, Carmila is committed to monitoring and steering the progress of the initiatives implemented, before publishing this index annually on its website.

To further improve its performance in this area, Carmila has decided to calculate its gender equality index at Group level, including Spain and Italy, thereby going beyond its legal obligations under French law. Carmila has set a target to raise this indicator to 92/100 in 2023.

Action plans

As regards gender balance and diversity in the workforce, Carmila has launched an action plan to achieve the best-in-class standards in this area. A number of measures have been implemented:

- coaching systematically provided after maternity and parental leave, for employees and their managers;
- training offered to anyone returning from maternity leave;
- funding vouchers for home child-minding;
- setting up a workplace Gender Equality Committee within the Social and Economic Committee.

In order to pursue its policy in favour of people with disabilities and as an extension of the disability agreement signed on 2 June 2020, Carmila has made commitments over a period of three years to promote the recruitment of disabled people, help them retain their jobs and raise staff awareness about disabilities in general. Employees can now benefit from anonymous and confidential consultations with an independent firm specialised in recognising disabled worker status (RQTH).

In 2022, Carmila continued to partner with Welcome To The Jungle, a recruitment website that enables innovative companies to reach out to job applicants seeking business and entrepreneurial experience.

In 2021, Carmila signed the charter of commitment to workplace gender equality in real estate companies and organisations. As part of this commitment, six goals were set to guarantee equal pay for men and women in various company positions, and to analyse hiring, promotions and departures in light of gender equality.

Carmila's commitment to fighting discrimination begins at the recruitment stage and continues throughout its employees' careers. Greater diversity without discrimination can only be achieved with true awareness about cultural biases that can influence recruitment choices and development potential. This commitment is supported by the Human Resources department, which in 2022 rolled out training on cultural bias aimed at Executive Committee members, Management Board members and all managers at Carmila.

OUTCOMES

Carmila promotes the employment of young people. At 31 December 2022, 37 Carmila employees were on work-study programmes, drawn from a broad range of educational backgrounds and representing 13.55% of the total workforce (all contracts combined).

Carmila pursued its partnership with Aktisea, a firm specialising in the inclusion of people with disabilities.

The Carmila Group workplace equality index stood at 95/100 in 2022.

Between 2021 and 2022, the gender pay gap at management level decreased by one percentage point.

CONSOLIDATED PAY GAP*

Consolidated management pay gap	2019	2020	2021	2022
Female managerial-grade employees (cadres)	€49,737.00	€49,580.64	€51,031.44	€51,064.44
Male managerial-grade employees (cadres)	€56,531.00	€56,690.89	€57,714.49	€56,971.78
Consolidated pay gap	-12.02%	-12.54%	-11.5%	-10.41%

* *Average salary weighted based on the number of employees in each country.*

4.4.2 Talent engagement and retention

Definition

Employee engagement is a key factor in Carmila's success and growth. This engagement begins when the employee joins the company and is built and strengthened throughout their career. Carmila's Human Resources policy is a valuable tool used to promote active listening and well-being as a response to the many challenges and needs employees face, particularly young talent.

In practical terms for Carmila, taking action every day for employees means promoting fulfilment, satisfaction, the pushing of boundaries and team spirit to develop and grow together.

To retain talent and allay the risk of becoming less competitive on the job market, Carmila encourages and supports career development and internal transfers.

Policies

Onboarding is an important step in helping new employees smoothly integrate themselves into Carmila's teams and providing guidance as soon as they arrive. All employees are invited to take part in an induction programme to enable them to absorb the culture, values and organisational structure of the Company, including:

- an immersive and interactive induction day;
- a personalised, job-specific programme including meetings with members of the Management Committee and immersion in Carmila shopping centres;
- a meeting with Carmila's Chair and Chief Executive Officer is organised within weeks of the employee's arrival;
- a one-to-one meeting with the Human Resources department.

Monitoring employees' career paths within the Company is a priority and is supported by a comprehensive system, notably:

- the "Skills and Career Interview" appraisal enables managers and employees to take stock of the results of the past year, the achievement of objectives and expectations in terms of career development, to adapt the projected development and assess workloads and work-life balance;
- Careers Committees also meet following annual appraisals to identify high-potential employees, plan specific development initiatives and facilitate internal transfers.

Carmila supports its employees throughout their career in developing and acquiring new skills and expertise, thereby preparing them for the jobs of the future. Carmila firmly believes in the importance of training, not only to improve employees' job skills, but also to enhance their personal development. A tailor-made skills development plan is offered to each individual according to their profile and pace of development.

Training needs are passed on to the Human Resources team, which identifies the most suitable training courses on a case-by-case basis.

This large-scale programme is aimed at responding to employees' individual needs, whatever their job or grade.

Investing in employee training is both a core responsibility of the Company and a driver for competitiveness and sustainability which serves to accelerate the transformation of our culture.

In order to attract the best talent on the market, Carmila has adopted an attractive and competitive compensation policy in the commercial real estate market and encourages high performance through variable pay.

In all three countries, the compensation package comprises a fixed salary, annual variable compensation and, in the case of France, profit-sharing agreements and incentive plans. Since 2019, a CSR criterion has been included in the performance objectives for determining the variable compensation of all employees (see chapter 6).

Action plans

A "Special Work-Study" induction day was organised at the Chambourcy site in 2022. During this day-long event, the "Carmila Work-Study Community" was launched, encouraging better communication between work-study employees and more effective integration into the teams.

In 2021, a partnership agreement was signed with People & Baby enabling Carmila staff to secure a place for their child in childcare facilities across France.

In 2022, Carmila also set up a partnership with GymLib to provide each employee with the option of enrolling in exercise classes of their choice anywhere in France, as a way of offsetting the effects of a sedentary lifestyle. Carmila also took part in the Foulées de l'Immobilier fun run organised by Université Paris-Dauphine.

OUTCOMES

100% of new recruits participated in the induction programme.

In 2022, 98% of the Group's employees who were active with the Company during the period of annual appraisals had an interview with their managers.

Carmila met its target in 2022 of providing all employees with access to training. At least one training programme was offered to all staff, and 90.06% were able to take advantage of training at Group level. This increase of slightly more than 10% compared to 2021 (79%) is due to the significant rise in the training budget in 2022.

The internal "Inside Jobs" platform, which aims to offer employees advance notice of job openings at Carmila and Carrefour Property, was rolled out for Carmila in Spain and Italy.

100% of the childcare places resulting from the partnership with People & Baby were allocated to Carmila France employees.

101 employees signed up for the GymLib offer.

HOURS OF TRAINING AND PERCENTAGE OF EMPLOYEES TRAINED

	2019	2020	2021	2022
Average number of training hours per employee	15.58	15.89	21.75	22.80
Total number of training hours	2,960	2,733.7	2,892.5	3,990.30
Proportion of trained employees	83.68%	76.74%	79.64%	90.06%

4.4.3 Employee relations

Driven by the fundamental belief that actively listening to employees enhances their commitment, Carmila encourages transparent, direct communication between staff members and different levels of management. Carmila builds strong, regular social dialogue by developing the number of contact points and discussion channels. These discussions take several forms:

- meetings with Social and Economic Committee members and union representatives;
- seminars and conventions (the last Marketing Network Convention took place in October 2022);
- brainstorming competitions;
- annual employee satisfaction surveys.

Relations with Social and Economic Committee members and union representatives

The Human Resources department ensures that good relations are maintained with trade unions and has intensified its exchanges with elected representatives. In 2022, 29 meetings were held with the elected representatives and five collective bargaining agreements were signed with the union delegates on:

- annual mandatory negotiations (15 March 2022);
- the incentive plan (14 June 2022);
- the profit-sharing scheme (14 June 2022);
- collective bargaining agreement on remote working (15 April 2022);
- agreement on purchasing power (20 October 2022).

Communication to promote HR actions

Through its HR programme Act Together, Carmila seeks to reiterate to employees its commitments and actions that address specific issues such as parenthood, diversity, careers, mobility, community outreach and the employment of young people.

Throughout 2022 the programme featured filmed interviews with employees.

Satisfaction survey

The annual employee satisfaction survey was conducted in September 2022, covering all employees of Carmila France, Spain and Italy.

The participation rate for the three host countries was 93% (up 4 percentage points compared to 2021), for an overall NPS of +12.

The survey found that 90% of employees expressed satisfaction with their job, and 91% say they are satisfied with the Company. In addition, 91% are confident about Carmila's future (up 2 points from 2021).

Mydea

Carmila is developing an employee-driven innovation approach by involving its teams in the creation of projects designed to help achieve its strategy and respond to stakeholders. This approach is based on Mydea, a digital platform for sharing and selecting ideas.

In 2022, a call for projects was launched in the three countries in connection with Carmila's strategy. For the 71 projects submitted, 14 project leaders pitched their ideas to a jury, which included Executive Management members. Four projects were selected and presented with awards.

This approach was praised by the non-profit innov'Acteurs, which awarded Carmila the employee-driven innovation trophy in December 2021 in the transformation category.

Commitment to non-profits

Carmila has set up a partnership with the non-profit Chemins d'avenirs, which aims to uncover the talents of France's local regions through mentoring.

Rural areas and small or medium-sized towns represent 60% of the French population.

Through this scheme, Carmila wishes to act in favour of diversity and inclusion by helping secondary school pupils and university students to choose their future career paths.

The mentors support their mentees by boosting confidence in their futures.

The programme is simple and accessible, with mentors giving two hours per month to mentees for 18 months.

Enabling a young people to play an active role in their own future promotes professional success and personal fulfilment.

Through these initiatives, Carmila is encouraging its employees to get involved in non-profit outreach.

"Health & Quality of Life at Work" Week

For a full week in June 2022, Carmila organised actions and activities related to health and quality of life at work for its employees, who could participate either in person at its registered office in Boulogne or by video link.

Many employees took part in training on fire safety and life-saving techniques, virtual reality workshops on handling fire extinguishers, as well as sports challenges with seven teams and nearly 50 participants.

4.4.4 Raising awareness of sustainable development issues

Definition

Corporate social responsibility is a shared concern for senior executives, managers and employees. To ensure that everyone understands the importance of the issues at stake, Carmila has chosen to empower its employees in two areas:

- compensation policy;
- communicating information and knowledge on sustainable development issues;
- specialised training on sustainable development issues.

Policies

Integration of KPIs in the calculation of variable compensation

In order to involve employees in Carmila's CSR approach, variable compensation is calculated on the basis of the achievement of certain CSR objectives, including the proportion of BREEAM-certified shopping centres.

In 2022, Carmila wants to strengthen this link by adding new CSR indicators for calculating the variable portion of employees' compensation.

In addition to the percentage of BREEAM-certified shopping centres, a greenhouse gas reduction indicator for Scopes 1 & 2 will be included for the collective portion of variable compensation. This is calculated on the basis of four indicators, one of which includes the rate of BREEAM certification for shopping centres and the reduction of greenhouse gas emissions on Scopes 1 & 2 over the review year. This incentive linked to quantitative CSR indicators now accounts for 25% of the collective criteria used to determine employees' variable compensation and is also used to calculate long-term incentive (LTI) plans.

Awareness-raising actions organised by the CSR department

The CSR department organises awareness-raising activities on CSR issues at least once a quarter. These includes webinars, training, strategy presentations, cross-functional working groups, internal events, challenges and information on the latest developments.

In July 2022, the CSR department organised a "Climate Fresk" event for Executive Committee members. These workshops teach people about the fundamental science behind climate change, its causes and consequences. A "Climate Fresk" will be open to all employees as of 2023.

Appointment of CSR ambassadors

To build more employee engagement around CSR, about ten employees from each Carmila department volunteered to become CSR ambassadors in September 2022. As representatives of the CSR strategy in their teams, they want to actively participate in rolling out the strategy and in implementing new initiatives.

At their first collaborative event, organised near the Cholet shopping centre in October, the CSR ambassadors met one of the farmers supported by Carmila within the scope of the partnership with TerraTerre for the agro-ecological transition. The day-long event included a tour of the farm and the methanisation centre, staff presentation, a workshop on CSR strategy and jointly carving out the ambassador role.

Action plans

As every year, the CSR department organised a key awareness campaign for all Carmila and Carrefour Property employees during European Sustainable Development weeks. These educational events ended with a quiz to test employees' knowledge, with the three winners taking home environmentally-friendly gifts.

OUTCOMES

In 2022, six conferences were organised (either in person or as webinars) throughout the year for all employees on various topics related to Carmila's CSR strategy and its regulatory obligations, including France's tertiary sector decree to reduce energy consumption, waste management in real estate, carbon offsetting, partnership with Chemins d'Avenir, and overview of the CSR strategy.

Twenty or so newsletters were sent to all employees on Carmila's actions and on the latest international developments. For example, the release of the new IPCC report was covered in two informative newsletters.

Specific events were also organised in each country:

- in France: the CSR Ambassadors' Day to present the carbon offsetting partnership with TerraTerre;
- in Spain: a training course on the importance of CSR, a podcast on the Here we act programme, and events with the ADSIS foundation supported by Carmila;
- in Italy: a carbon footprint calculation module and a conference on the inclusion of people with autism;
- in the employee survey, 87% of employees confirmed that they were aware of Carmila's CSR strategy.

4.5 Sustainable finance: Sustainability-Linked Loans

4.5.1 Sustainability-Linked Loans

In September 2021, Carmila took out a sustainability-linked loan for an amount of €810 million with the support of its banks, Natixis and CACIB. In addition to the loan's traditional rating, the spread on this facility is dependent on achieving two environmental objectives set out in Carmila's CSR strategy.

If both environmental commitments are met, the spread is reduced. If only one of the targets is met, the spread is reduced by half of this amount. In the worst-case scenario where neither objective is met, the spread is not reduced at all. This ambitious initiative ensures that environmental performance has a direct impact on Carmila's business and financial decisions.

A "Use of proceeds" document established with the banks refers to this mechanism as well as the environmental monitoring indicators, their annual and final objectives and the type of projects to which the contribution will be allocated.

One of the key principles of this initiative is transparency. The performance indicators set out in the loan agreement will be assessed annually by the independent third-party auditor.

4.5.1.1 Environmental monitoring indicators

Carmila's CSR strategy and the action plans and results obtained by the Group in recent years were deemed sufficiently robust by the banks to be linked directly to a credit facility.

The criteria used concern the fight against global warming and the green value of assets. With the help of Natixis and CACIB, the environmental indicators were chosen and their trajectories developed in line with the objectives of Carmila's CSR strategy. The mechanism is also aligned with the recognised Sustainability-Linked Loan Principles, as updated in May 2021.

The two criteria chosen are:

- the percentage of Carmila's assets with BREEAM In-Use certification in France, Spain and Italy;
- the reduction of greenhouse gas emissions on Scopes 1 & 2 in line with a 1.5°C trajectory by 2030.

In 2022, the results for both indicators were as follows:

CERTIFICATION RATE – BY ASSET VALUE

		2019	2021	2022	Change 2022 versus 2019
BREEAM In-Use certification	ktCO_2e	61%	87.7%	97.1%	+36.1%

CHANGE IN SCOPES 1 & 2 CARBON FOOTPRINT[(1)]

		2019[(2)]	2021	2022	Change 2022 versus 2019
Carbon footprint, Scopes 1 & 2 – Market-based	ktCO_2e	36.4	25.0	23.8	-34.6%
Carbon footprint, Scopes 1 & 2 – Location-based	ktCO_2e	26.0	24.0	22.4	-13.7%

(1) Scopes 1 & 2 data include the carbon emissions from energy consumed by common and private areas using shared equipment in Scopes 1 & 2 across the three countries, refrigerant leaks across the three countries, and Company vehicles in France only.

(2) The reporting scope for Scopes 1 & 2 emissions in 2019 was adjusted to take into account the new assets reported under direct management by Carrefour Property Gestion.

4.5.1.2 Green Fund

In addition to the margin adjustment mechanism described above, Carmila will pay an amount corresponding to three basis points of interest and/or the commitment fee, regardless of the result of the environmental KPIs.

The contribution linked to the sustainable bond issue is allocated exclusively to Carmila projects selected for their environmental excellence, whose financing would not otherwise be viable in normal circumstances. The Green Fund was set up to accelerate the improvement in real estate assets' environmental footprint.

Eligible projects

Funds from the spread mechanism will be reinvested in projects selected for their environmental excellence.

Envisaged eligible projects mainly focus on the following issues:

- energy performance and management;
- design and implementation of low-carbon solutions.

These actions may therefore include improving building envelopes, renewing energy equipment and setting up systems to optimise equipment operation.

Fund governance

For the past year, Carmila has had an Environmental Performance Committee, which assesses the environmental quality of certain investments on the basis of two priority impact criteria: energy and carbon. Projects' ancillary environmental impacts are also qualified so as to avoid any risk of impinging on other environmental criteria (i.e., the "Do No Significant Harm" principle):

- waste generation and management;
- water use;
- biodiversity (qualitative criterion);
- green value and certification (qualitative criterion).

The Committee will therefore be able to identify investments eligible for the Green Fund where projects require additional financing:

- anticipated expenditure on equipment that is functional but not performing according to the environmental criteria listed above;
- identified the additional cost compared to lower-cost solutions and a business-as-usual scenario.

Transparency on the use of the Fund

The facility's environmental monitoring indicators will be reviewed annually by the independent third-party auditor within the framework of the non-financial performance statement in the Universal Registration Document.

Projects eligible for full or partial financing by the Green Fund will be required to report annually to lenders based on the information provided by the Environmental Performance Committee.

Allocation of funds

As 2022 was the first incomplete year the Sustainability-Linked Loan was in place, the funds relating to the 2022 reporting year will be used on new eligible projects as of 2023.

4.5.2 Green Bond

On 18 October 2022, Carmila published its Green Bond Framework, which sets out the rules governing Green Bond issuance. It forms part of Carmila's sustainable development ambition as part of its "Building Sustainable Growth" strategic plan, and more specifically makes reference to Carmila's commitments regarding the environmental certification of assets and the energy transition.

Carmila is committed to supporting the growth of the sustainable finance market, which it sees as a critical tool to meet the commitments of the Paris Agreement on global climate action. With the implementation of this Green Bond Framework, Carmila aims to support its energy efficiency and carbon emissions reduction ambitions. This framework also provides a way for Carmila to meet its objective to align its financing strategy with CSR commitments, as part of its Here we act programme.

Carmila's objective when issuing green bonds under this Green Bond Framework is to finance major reductions in greenhouse gas emissions and to support the transition of Carmila's asset portfolio towards energy-efficient and low-carbon real estate, in line with the objectives set out in the Paris Agreement.

Carmila also closely monitors future developments in sustainable finance. These include the requirements of the EU Taxonomy Regulation (Regulation (EU) 2020/852), the Delegated Act, and the report containing recommendations on technical screening criteria for the four remaining environmental objectives of the EU Taxonomy. The Framework also outlines the expected contribution to the Sustainable Development Goals (SDGs) published in 2015 by the United Nations (UN) as part of the 2030 Agenda for Sustainable Development. This is in line with Carmila's ambition to further channel investments to projects that contribute to the achievement of the UN SDGs.

4.5.2.1 Green Bond

Use of proceeds

An amount equal to the net proceeds of any green bond issuance under this Green Bond Framework will be used to finance and/or refinance, in whole or in part, eligible green assets that meet the criteria set out below:

- eligible green assets are existing and/or future shopping centre and retail park properties owned by Carmila and located in France, Italy, or Spain;
- eligible green assets must be located within 500 metres of public transport networks;
- eligible green assets located in France must have a green lease ("Bail Vert") already set up or planned with its tenants (for properties falling under the Environmental Appendix regulation);
- eligible green assets should meet at least one of the eligibility criteria described in the table below.

Eligibility criteria

For acquisitions of existing commercial buildings or the construction of new commercial buildings in France, Italy, or Spain, one of the following eligibility criteria must be met:

- buildings built before 31 December 2020 must:
  - have an Energy Performance Certificate (EPC) at least equal to "A", or
  - belong to the top 15% most energy-efficient buildings of the national building stock;
- buildings built after 31 December 2020 must:
  - have a Primary Energy Demand (PED) at least 10% lower than the relevant national threshold set for nearly zero-energy building (NZEB) requirements, and
  - if larger than 5,000 sq.m., undergo testing for airtightness or thermal integrity;
- buildings that have achieved, or plan to achieve environmental certification (New-Build or In-Use) including:
  - BREEAM Very Good certification or higher,
  - HQE Excellent certification or higher,
  - LEED Platinum certification.

For renovations of existing commercial buildings in France, Italy or Spain, which meet at least one of the following eligibility criteria:

- building renovation compliant with the applicable requirements for major renovations under the Energy Performance of Buildings Directive (EPBD); or
- building renovation leading to a reduction of Primary Energy Demand (PED) of at least 30%; or
- building renovation leading to environmental certification (Refurbishment or In-Use), including:
  - BREEAM Excellent certification or higher,
  - HQE Excellent certification or higher,
  - LEED Platinum certification.

Green Bond reporting

Within one year of any green bond issue and annually thereafter, Carmila will report on the allocation of proceeds of eligible green assets and the associated environmental impact metrics, at least up to an amount equal to the proceeds from the outstanding green bond issues allocated in full to eligible green assets.

Carmila commits to report on the allocation of the proceeds. The report will include indicators such as:

- an overview of outstanding green bond issues under the Green Bond Framework;
- the size of the eligible green assets portfolio, including a breakdown by eligible green asset type (existing/new building) and geographical area (country level);
- the share of financing versus refinancing;
- the balance of any unallocated proceeds.

Carmila will report on relevant impact metrics for eligible green assets where applicable:

- number of properties and surface area (in sq.m., GIA and GBA);
- breakdown by building type and category (acquisition, extension, construction, renovation, etc.);
- total energy consumption (kWh net) and energy intensity (kWh net/sq.m./year);
- total greenhouse gas emissions (tCO_2e/year) and greenhouse gas emissions intensity ($kgCO_2e$/sq.m./year);
- estimated annual greenhouse gas emissions reduction (tCO_2e);
- rate of environmental certifications and/or energy-efficiency labels achieved/targeted and levels.

Second-party opinion

Sustainalytics was commissioned as second-party opinion provider to evaluate Carmila's Green Bond Framework, its transparency and governance, as well as its alignment with the Green Bond Principles (2021), as published by ICMA.

Sustainalytics issued the following opinion:

"The Carmila Green Bond Framework outlines a process to track, allocate and manage proceeds and makes commitments for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the Company and expects the use of proceeds to contribute to the advancement of the UN Sustainable Development Goal 9.

Additionally, Sustainalytics is of the opinion that Carmila has adequate measures to identify, manage and mitigate environmental and social risks associated with its properties."

4.6 Cross-reference tables, methodology and Statutory Auditor's report

A. Cross-reference table and figures

4.6.1 TCFD cross-reference table

Topics	TCFD recommendations	Concordance
Governance Describe the organisation's governance of climate-related risks and opportunities.	(a) Disclose the organisation's governance around climate-related risks and opportunities.	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance
	(b) Describe management's role in assessing and managing climate-related risk.	3.1 – Organisation and risk management – Organisation 4.2.1 – Combating climate change
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	3.2 – Organisation and risk management – Risk factors 4.1.2.1 – Risk identification and mapping
	(b) Disclose the impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	4.1.2 – CSR challenges and opportunities
	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	4.2.1 – Combating climate change 4.2.3.2 – Climate resilience plan
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	(a) Describe the organisation's processes for identifying and assessing climate-related risks.	3.1 – Organisation and risk management – Organisation 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
	(b) Describe the organisation's processes for managing climate-related risks.	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	3.1 – Organisation and risk management – Organisation 3.2 – Organisation and risk management – Risk factors 4.1.1.1 – CSR governance 4.1.2 – CSR challenges and opportunities
Metrics and targets Describe the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	4.1.2.3 – Summary of the CSR strategy 4.2 – Here we act for the planet 4.3 – Here we act for local regions 4.4 – Here we act for employees
	2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.2.1.1 – Low-carbon strategy
	3. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	4.1.2.3 – Summary of the CSR strategy 4.2 – Here we act for the planet 4.3 – Here we act for local regions 4.4 – Here we act for employees

4.6.2 GRI cross-reference table

GRI economic standards	Standard no.	URD Chapter
Economic performance	201	Chapter 2 of the report 7 – Financial statements
Market presence	202	1 – Integrated report
Indirect economic impacts	203	1 – Integrated report
Procurement practices	204	4.1.3.2 – Responsible value chain
Anti-corruption	205	4.1.3.1 – Ethics and respect for human rights
Anti-competitive behaviour	206	4.1.3.1 – Ethics and respect for human rights
GRI environmental standards	**Standard no.**	**URD Chapter**
Materials	301	4.2.3.1 – Environmental certifications
Energy	302	4.2.1.2 – Energy conservation and efficiency
Water	303	4.2.2.3 – Water
Biodiversity	304	4.2.2.1 – Biodiversity
Emissions	305	4.2.1.1 – Low-carbon strategy
Waste	306	4.2.2.2 – Waste and the circular economy
Environmental compliance	307	4.1.1 – CSR organisation 4.1.2 – CSR challenges and opportunities
Supplier environmental assessment	308	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
GRI social standards	**Standard no.**	**URD Chapter**
Employment	401	Appendix A – chapter 4
Labour/management relations	402	4.4.2 Talent management and engagement
Occupational health and safety	403	Appendix A – chapter 4
Training and education	404	4.4.2 Talent management and engagement Appendix A – chapter 4
Diversity and equal opportunity	405	4.4.1 Foster diversity Appendix A – chapter 4
Non-discrimination	406	4.4.1 Foster diversity
Freedom of association and collective bargaining	407	4.1.3.2 – Responsible value chain 4.4.2 Talent management and engagement
Child labour	408	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
Forced or compulsory labour	409	4.1.3.1 – Ethics and respect for human rights 4.1.3.2 – Responsible value chain
Security practices	410	
Rights of indigenous peoples	411	
Human rights assessment	412	4.1.3.1 – Ethics and respect for human rights
Local communities	413	4.3.1.1. – Employment 4.3.1.3. – Dialogue with retailers 4.3.1.4. – Dialogue with customers 4.3.2.1 – CSR events
Social evaluation of suppliers	414	4.1.3.2 – Responsible value chain
Public policy	415	
Customer health and safety	416	4.1.2.3 – Summary of the CSR strategy – Health, well-being, safety and security risks
Marketing and labelling	417	4.1.2.3 – Summary of the CSR strategy – Health, well-being, safety and security risks
Customer privacy	418	
Socio-economic compliance	419	

4.6.3 SASB cross-reference table

Sustainability reporting and indicators

Topic	Code	Category	Indicator	URD Chapter
Energy management	IF-RE-130a.1	Quantitative	Energy consumption data coverage as a percentage of total floor area *(%)*	Appendix A – Methodological details Page 72
	IF-RE-130a.2		(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable	(1) (2) (3) 4.2.1.2. Energy efficiency and frugality
	IF-RE-130a.3		Like-for-like percentage change in energy consumption	4.2.1.2. Energy efficiency and frugality
	IF-RE-130a.4		Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR	Information not reported
	IF-RE-130a.5	Description and analysis	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	4.2.1.2. Energy efficiency and frugality
Water management	IF-RE-140a.1	Quantitative	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress	(1) Appendix A – Methodological details Page 72 (2) Information not reported
	IF-RE-140a.2		(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress	(1) 4.2.2.3. Water (2) Information not reported
	IF-RE-140a.3		Like-for-like percentage change in water withdrawn	4.2.2.3. Water
	IF-RE-140a.4	Description and analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	(1) 4.2.2.3. Water
Management of tenant sustainability impacts	IF-RE-410a.1	Quantitative	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	The percentage of green leases is 49%
	IF-RE-410a.2		Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals	Information not reported
	IF-RE-410a.3	Description and analysis	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	4.1.1.2 Dialogue with stakeholders
Climate change adaptation	IF-RE-450a.1	Quantitative	Area of properties located in 100-year flood zones	Information not reported
	IF-RE-450a.2	Description and analysis	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	4.2.3.2. Climate Resilience Plan

4.6.4 EPRA cross-reference table

Environmental indicators: Here we act for the planet

EPRA code	Indicator	Unit	2019	2020	2021	2022
H&S-Asset	Percentage of shopping centres located within 500 metres of a public transport link	%	58	58	95	92.3%
	Percentage of customers travelling to shopping centres by car or motorcycle	%	85	90	87.6	84.3%
	Percentage of customers travelling to the shopping centres on foot	%	8	5.3	6.4	7.5%
	Percentage of customers travelling to the shopping centres by bike	%	1	1	0.5	0.7%
	Percentage of customers travelling to shopping centres by public transport	%	6	4.3	5.3	6.8%
	Number of charging stations for electric vehicles	Number	N/A	248	291	646
	Percentage of shopping centres equipped with charging stations for electric vehicles	%	N/A	20.2	40.25	54.9%

EPRA code	Indicator	Unit	2019 – Baseline	2020	2021	2022
	Total final energy consumption of common areas – reported scope	**kWh**	**159,695,048**	**149,018,388**	**141,978,403**	**136,225,487**
	Fossil fuels	kWh	38,599,145	38,115,158	39,855,838	38,879,866
	• Natural gas	kWh	38,440,201	37,986,222	39,267,017	38,317,585
Fuels – Abs	• Heating oil	kWh	158,944	128,936	588,822	562,281
Elec – Abs	Electricity	kWh	120,296,356	110,088,381	100,193,475	95,745,970
DH&C – Abs	District network	kWh	799,547	814,850	1,929,090	1,599,652
DH&C – Abs	• District heating	kWh	799,547	814,850	1,929,090	1,599,652
DH&C – Abs	• District cooling	kWh	0	0	0	0
	Other energies	kWh	0	0	0	0
Energy – Int	Energy intensity of common areas	kWh/sq.m.	151	135	129	127
	Total final energy consumption of common areas – like-for-like scope	**kWh**	**157,428,261**	**146,491,706**	**139,713,308**	**136,225,487**
	Fossil fuels	kWh	38,107,626	36,957,668	38,733,094	38,879,866
	• Natural gas	kWh	37,950,242	36,828,732	38,146,848	38,317,585
Fuels – Lfl	• Heating oil	kWh	157,384	128,936	586,247	562,281
Elec – Lfl	Electricity	kWh	118,521,088	108,719,189	99,051,124	95,745,970
DH&C – Lfl	District network	kWh	799,547	814,850	1,929,090	1,599,652
DH&C – Lfl	• District heating	kWh	799,547	814,850	1,929,090	1,599,652
DH&C – Lfl	• District cooling	kWh	0	0	0	0
	Other energies	kWh	0	0	0	0
Energy – Int	Energy intensity of common areas	kWh/sq.m.	154	137	131	127
	Renewable energy consumption	kWh	61,700	53,600	18,229,726	17,789,472
	Renewable energy consumption as a percentage of total energy consumption	%	0	0	13	13
GHG – Dir – Abs	**Total GHG emissions – market-based, of common areas under direct management – reported scope**	**tCO_2e**	**43,148**	**39,615**	**30,477**	**29,718**
GHG – Dir – Abs	Of which direct emissions (Scope 1)	tCO_2e	6,699	6,644	6,994	6,782
GHG – Dir – Abs	Of which indirect emissions – market-based (Scope 2)	tCO_2e	28,685	25,872	16,645	16,331
GHG – Dir – Abs	Of which upstream emissions – market-based (Scope 3)	tCO_2e	7,764	7,099	6,838	6,605
GHG – Dir – Int	Carbon intensity of common areas – market-based	$kgCO_2e$/sq.m.	45	43	30	30

EPRA code	Indicator	Unit	2019 – Baseline	2020	2021	2022
GHG – Ind – Abs	**Total GHG emissions - market-based, of common areas under indirect management – reported scope**	**tCO_2e**	**59**	**76**	**35**	**33**
GHG – Ind – Abs	Of which direct emissions (Scope 3)	tCO_2e	11	2	10	9
GHG – Ind – Abs	Of which indirect emissions – market-based (Scope 3)	tCO_2e	19	33	10	11
GHG – Ind – Abs	Of which upstream emissions – market-based (Scope 3)	tCO_2e	29	41	15	13
GHG – Ind – Int	Carbon intensity of common areas – market-based	$kgCO_2e$/ sq.m.	7	9	4	5
GHG – Dir – Abs	**Total GHG emissions – location-based, of common areas under direct management – reported scope**	**tCO_2e**	**27,450**	**25,330**	**24,920**	**23,892**
GHG – Dir – Abs	Of which direct emissions (Scope 1)	tCO_2e	6,699	6,644	6,994	6,782
GHG – Dir – Abs	Of which indirect emissions – location-based (Scope 2)	tCO_2e	18,333	16,360	15,679	14,944
GHG – Dir – Abs	Of which upstream emissions – location-based (Scope 3)	tCO_2e	2,417	2,326	2,247	2,166
GHG – Dir – Int	Carbon intensity of common areas – location-based	$kgCO_2e$/ sq.m.	28	27	25	24
GHG – Ind – Abs	**Total GHG emissions – location-based, of common areas under indirect management – reported scope**	**tCO_2e**	**76**	**95**	**42**	**35**
GHG – Ind – Abs	Of which direct emissions (Scope 3)	tCO_2e	11	2	10	9
GHG – Ind – Abs	Of which indirect emissions – location-based (Scope 3)	tCO_2e	43	63	20	16
GHG – Ind – Abs	Of which upstream emissions – location-based (Scope 3)	tCO_2e	22	30	12	10
GHG – Ind – Int	Carbon intensity of common areas – location-based	$kgCO_2e$/ sq.m.	9	11	5	5
GHG – Dir – Lfl	**Total GHG emissions – market-based, of common areas under direct management – like-for-like scope**	**tCO_2e**	**42,972**	**39,315**	**30,197**	**29,718**
GHG – Dir – Lfl	Of which direct emissions (Scope 1)	tCO_2e	6,616	6,448	6,804	6,782
GHG – Dir – Lfl	Of which indirect emissions – market-based (Scope 2)	tCO_2e	28,654	25,844	16,623	16,331
GHG – Dir – Lfl	Of which upstream emissions – market-based (Scope 3)	tCO_2e	7,702	7,023	6,770	6,605
GHG – Dir – Int	Carbon intensity of common areas – market-based – like-for-like scope	$kgCO_2e$/ sq.m.	46	42	32	32
GHG – Ind – Lfl	**Total GHG emissions – market-based, of common areas under indirect management – like-for-like scope**	**tCO_2e**	**56**	**68**	**32**	**31**
GHG – Ind – Lfl	Of which direct emissions (Scope 3)	tCO_2e	11	2	10	9
GHG – Ind – Lfl	Of which indirect emissions – market-based (Scope 3)	tCO_2e	18	27	8	8
GHG – Ind – Lfl	Of which upstream emissions – market-based (Scope 3)	tCO_2e	28	39	14	13
GHG – Ind – Int	Carbon intensity of common areas – market-based – like-for-like scope	$kgCO_2e$/ sq.m.	8	10	5	5
GHG – Dir – Lfl	**Total GHG emissions – location-based, of common areas under direct management – like-for-like scope**	**tCO_2e**	**27,257**	**25,024**	**24,647**	**23,913**
GHG – Dir – Lfl	Of which direct emissions (Scope 1)	tCO_2e	6,616	6,448	6,804	6,782
GHG – Dir – Lfl	Of which indirect emissions – location-based (Scope 2)	tCO_2e	18,274	16,316	15,657	14,965
GHG – Dir – Lfl	Of which upstream emissions – location-based (Scope 3)	tCO_2e	2,367	2,260	2,186	2,166
GHG – Dir – Int	Carbon intensity of common areas – location-based – like-for-like scope	$kgCO_2e$/ sq.m.	29	27	26	26
GHG – Ind – Lfl	**Total GHG emissions – location-based, of common areas under indirect management – like-for-like scope**	**tCO_2e**	**72**	**94**	**39**	**37**
GHG – Ind – Lfl	Of which direct emissions (Scope 3)	tCO_2e	11	2	10	9
GHG – Ind – Lfl	Of which indirect emissions – location-based (Scope 3)	tCO_2e	41	62	18	18
GHG – Ind – Lfl	Of which upstream emissions – location-based (Scope 3)	tCO_2e	21	29	11	10
GHG – Ind – Int	Carbon intensity of common areas – location-based – like-for-like scope	$kgCO_2e$/ sq.m.	11	14	6	5
GHG – Dir – Abs	**GHG emissions from refrigerant leaks**	**tCO_2e**	**582**	**148**	**793**	**349**

EPRA code	Indicator	Unit	2019 – Baseline	2020	2021	2022
GHG – Ind – Abs	**Scope 3 GHG emissions (excluding upstream energy)**	**tCO_2e**	**931,210**	**624,435**	**566,090**	**526,189**
GHG – Ind – Abs	GHG emissions from consumption by private areas	tCO_2e	75,980	20,842	17,714	29,536
GHG – Ind – Abs	GHG emissions from visitor transport	tCO_2e	802.8	584,317	517,775	468,811
GHG – Ind – Abs	GHG emissions from waste	tCO_2e	4,842	4,190	10,801	13,384
GHG – Ind – Abs	GHG emissions from purchases	tCO_2e	9,804	9,543	11,540	12,727
GHG – Ind – Abs	GHG emissions from employee transport	tCO_2e	471	136	120	839
GHG – Ind – Abs	GHG emissions from construction	tCO_2e	37,288	5,407	8,139	892
Water – Abs	Total water consumption – reported scope	cu.m.	618,516	416,127	381,656	521,788
Water – Lfl	Total water consumption – like-for-like scope	cu.m.	618,513	417,246	349,316	409,384
Water – Int	Water intensity – reported scope	cu.m./sq.m.	0.93	0.79	0.73	0.78
Water – Int	Water intensity – like-for-like scope	cu.m./sq.m.	0.93	0.85	0.79	0.78
Water – Int	Water intensity – reported scope	litres/visitor	N/A	1.02	1.03	1.18
Water – Int	Water intensity – like-for-like scope	litres/visitor	N/A	1.06	0.89	1.04
Cert – Tot	Environmental certification rate by asset value	%	61.01	87.7	93.4	97.1
Cert – Tot	Percentage of shopping centres certified to BREEAM In-Use by value	%	59.0	86.0	90.6	94.2
Cert – Tot	Percentage of shopping centres certified to BREEAM New Construction by value	%	24.0	25.0	25.6	26.3
Cert – Tot	Number of shopping centres certified to BREEAM In-Use	number	48	99	129	143
Cert – Tot	Number of shopping centres certified to BREEAM New Construction	number	18	19	17	15
Tx-Bx Vert	Percentage of green leases signed on all assets in France	%	N/A	59	72	77.7
Waste – Abs	Total amount of waste – reported scope	tonnes	28,004	25,061	23,198	24,460
Waste – Abs	Amount of waste recovered – reported scope	tonnes	14,183	14,271	13,615	15,102
Waste – Abs	Waste recovery rate – reported scope	%	51.0	57.0	59.0	61.7
Waste – Abs	Total amount of organic waste – reported scope	tonnes	N/A	N/A	407	772
Waste – Abs	Total amount of plastic waste – reported scope	tonnes	N/A	N/A	97	381
Waste – Abs	Total amount of glass – reported scope	tonnes	N/A	N/A	32	75
Waste – Abs	Total amount of wood – reported scope	tonnes	N/A	N/A	41	78
Waste – Abs	Total amount of cardboard/paper waste – reported scope	tonnes	N/A	N/A	5,325	7,035
Waste – Abs	Total amount of non-hazardous industrial waste – reported scope	tonnes	N/A	N/A	17,267	16,080
Waste – Abs	Total amount of bulky waste – reported scope	tonnes	N/A	N/A	2	10
Waste – Abs	Total amount of scrap metal – reported scope	tonnes	N/A	N/A	10	16
Waste – Lfl	Total amount of waste – like-for-like scope	tonnes	N/A	25,045	22,122	24,446
Waste – Lfl	Amount of waste recovered – like-for-like scope	tonnes	N/A	14,268	13,082	15,099
Waste – Lfl	Waste recovery rate – like-for-like scope	%	N/A	57.0	59.0	61.8

4.6.5 Societal indicators: Here we act for local regions

EPRA code	Indicator	Unit of measurement	2020	2021	2022
Comty-Eng	Percentage of shopping centres (by portfolio value) with a centre management team running an employment initiative	%	77	100	98.2
	Percentage of shopping centres (by value) with a responsible second-hand offering	%	19	38.7	42.4
	Percentage of shopping centres with a centre management team (by portfolio value)	%	84.2	84.5	82.8
Comty-Eng	Number of CSR events at shopping centres with a centre management team	Number	797	1,121	1,427
	Percentage of shopping centres (by portfolio value) having organised a CSR event	%	80	99	99.5
H&S-Asset	Percentage of shopping centres having undergone a safety assessment	%	23	29	33
	Carmila's average safety assessment score	%	95	96	95
	Percentage of shopping centres (by value) having distributed a customer and visitor satisfaction survey	%	89	95	84
	Customer and visitor satisfaction rate	%	77.9	86.8	91.3
	Percentage of shopping centres (by value) having distributed a retailer satisfaction survey	%	44	97	97
	Rate of retailer engagement with Carmila	%	73	70	N/A
	Retailer satisfaction rate	%	62	65	64

4.6.6 Social indicators: Here we act for employees

Topic	EPRA code	Indicator	Unit of measurement	2020	2021	2022
	Gov-Board	Membership of the highest governance body	Nb and ID			See chapter 5
	Gov-Selec	Procedure for appointment and/or selection to the highest governance body	Explanation			
	Gov-Col	Procedure in place to deal with conflicts of interest	Explanation			
Headcount		Total headcount at 31 December	Number	244	280	273
		Permanent headcount at 31 December	Number	172	167	181
		Average headcount at 31 December[(1)]	Number	111	234.1	232.6
		Permanent employees at 31 December (part- and full-time)	Number	196	216	227
		Staff on non-permanent contracts at 31 December (part- and full-time)	Number	6	12	5
		Number of employees on work-study programmes at 31 December	Number	42	48	37
		Number of interns at 31 December	Number	9	4	4
		Temporary headcount at 31 December	Number	3	0	1
		Non-permanent headcount at 31 December	Number	12	4	4
		Full-time headcount at 31 December	Number	242	279	273
		Part-time headcount at 31 December	Number	2	1	0
Diversity		Number of employees with a disability at 31 December	Number	1	1	1
		Percentage of employees with a disability at 31 December	%	0.41	0.36	0.37
	Diversity-Emp	Total number of women at 31 December	Number	132	161	156
	Diversity-Emp	Total number of men at 31 December	Number	112	119	117
	Diversity-Emp	Total number of women in managerial-grade roles (including executives) at 31 December	Number	99	113	114
	Diversity-Emp	Total number of women in non-managerial-grade roles at 31 December	Number	33	48	42
	Diversity-Emp	Total number of men in managerial-grade roles (including executives) at 31 December	Number	99	103	104
	Diversity-Emp	Total number of men in non-managerial grade roles at 31 December	Number	13	16	13
	Diversity-Emp	Number of women on the Executive Committee at 31 December	Number	4	3	4

(1) GAIA: Q27.

Topic	EPRA code	Indicator	Unit of measurement	2020	2021	2022
Diversity	Diversity-Emp	Number of men on the Executive Committee at 31 December	Number	8	6	4
	Diversity-Emp	Number of women on the Board of Directors at 31 December 2022	Number	6	6	6
	Diversity-Emp	Number of men on the Board of Directors at 31 December 2022	Number	10	7	7
		Number of employees under age 30 at 31 December	Number	72	97	82
		Number of employees aged between 30 and 50 at 31 December	Number	139	154	159
		Number of employees over age 50 at 31 December	Number	33	29	32
		Average age at 31 December[1]	Age	36.63	36.03	36.75
Turnover		Number of hires on fixed-term contracts at 31 December	Number	5	12	3
	Emp-Turnover	Total number of permanent hires at 31 December	Number	31	50	53
		• of which internal transfers within the Carrefour group	Number	9	16	0
		• of which non-permanent contracts converted into permanent contracts	Number	3	3	5
		• of which external hires	Number	19	31	48
		Number of dismissals of permanent employees at 31 December	Number	1	7	3
		Number of resignations of permanent employees at 31 December	Number	6	11	18
		Number of lapsed trial periods at 31 December (employee or employer initiative)	Number	4	1	7
		Number of mutually agreed terminations of permanent employees at 31 December	Number	9	4	9
		Number of employees transferred within the Carrefour group at 31 December	Number	5	5	5
		Other departures of permanent employees (retirement, death) at 31 December	Number	1	2	0
	Emp-Turnover	Total number of departures of permanent employees at 31 December	Number	26	30	42
	Emp-Turnover	Employee turnover at 31 December	%	15.16	18.52	20.93
Training	Emp-Training	Total number of training hours at 31 December (outsourced and online via CapFormation)	hours	2,734	2,893	3,990.30
	Emp-Training	Average number of training hours per employee	hours	16	21.75	22.80
	Emp-Training	Number of employees trained	Number	132	133	163
	Emp-Training	Percentage of employees trained	%	76.74	79.67	90.06
	Emp-Training	Training budget	€	277,520	139,059	175,191
		Budget used for training	€	64,297	131,634	175,083
		Estimated total payroll[2]	€	11,056,026	14,088,991	14,633,090
		Actual payroll (base pay including all bonuses)	€	15,269,760	16,426,750	18,004,550
		Hourly training rate	%	N/A	1	1.26
		Training contribution rate (training budget/payroll)[3]	%	2.51	0.93	1.20
		Number of employees exposed to ethical risks	Number	101	175	191
		Number of risk-exposed employees trained in ethics	Number	95	175	191
		Proportion of employees who received training on ethical risks	%	94	100	100
		Number of employees who have signed the statement of independence	Number	172	191	182
		Percentage of people who have signed the statement of independence	%	70.49	100	100
		Number of training hours on CSR or environmental protection	hours	36	0	4
		Number of employees trained in CSR or environmental protection	Number	16	0	2
		Number of employees trained in road risks (or safe driving)	Number	1	33	0

(1) GAIA: Q33.
(2) GAIA: Q610.
(3) GAIA: Q41.

Topic	EPRA code	Indicator	Unit of measurement	2020	2021	2022
Career development and pay		Average annual pay rise	%	3.20	3.25	5.68
	Diversity-Emp	Number of women on permanent contracts promoted during the year	Number	10	6	9
	Diversity-Emp	Number of men on permanent contracts promoted during the year	Number	5	4	12
	Diversity-Emp	Number of women hired during the year	Number	33	68	58
	Diversity-Emp	Number of men hired during the year	Number	19	36	28
	Diversity-Emp	Number of women trained during the year	Number	45	70	84
	Diversity-Emp	Number of men trained during the year	Number	61	63	79
		Average pay of female executives excluding women SDs	€	100,887	91,413	103,614
		Average pay of male executives excluding men SDs	€	136,788	115,840	126,167
	Diversity-Emp	Average salary for women in managerial-grade roles (cadres)	€	49,581	51,031	51,064
	Diversity-Emp	Average salary for men in managerial-grade roles (cadres)	€	56,691	57,714	56,971
	Diversity-Emp	Average salary for women in non-managerial-grade roles	€	N/A	33,347	34,509
	Diversity-Emp	Average salary for men in non-managerial-grade roles	€	N/A	33,732	36,946
		Executive pay gap	%	-26.25	-20.4	-17.29
		Managerial-grade pay gap	%	-12.54	-11.5	-10.41
		Non-managerial-grade pay gap	%	N/A	-1.1	-6.6
Health, safety, quality of life in the workplace	Emp-Dev	Number of employees having had an annual appraisal ("cap carrière") during the year France	Number	121	129	119
	H&S-Emp	Number of fatal workplace accidents	Number	0	0	0
	H&S-Emp	Number of occupational road accidents	Number	3	0	0
	H&S-Emp	Number of occupational illnesses (reported during the period)	Number	0	0	0
		Total number of occupational illnesses	Number	0	0	0
	H&S-Emp	Number of workplace accidents	Number	2	0	1
	H&S-Emp	Number of lost-time workplace accidents and occupational illnesses	Number	1	0	1
	H&S-Emp	Number of days off (occupational illness, workplace accident, other illness or unjustified absence)	days	1,291	930.5	1,041
		Number of people with paternity leave	Number	5	9	5
		Number of people with maternity leave	Number	8	4	4
		Days off work due to maternity leave	days	901	414	400
		Days off work due to paternity leave	days	122	135	121
	H&S-Emp	Days off work due to a workplace accident	days	44	0	54
	H&S-Emp	Days off work due to an occupational illness	days	0	0	0
	H&S-Emp	Days off work due to an occupational illness or a workplace accident	days	44	0	54
	H&S-Emp	Workplace accident frequency rate	%	2.62	0	2.5
	H&S-Emp	Workplace accident severity rate	%	9.12	0	0.13
	H&S-Emp	Absenteeism rate	%	2.57	1.24	1.81
		Number of employees authorised to home work	Number	78	33	36
		Participation rate in the engagement survey	%	73	80	93
		Collective bargaining agreements	Number	6	5	5
		Number of meetings held with employee representatives	Number	19	31	29
		Number of reports of ethics violations	Number	1	0	3

B. Reporting method

CSR reporting is based on the financial scope. As of 31 December 2022, Carmila owned 206 sites, all of which are covered in its reporting. The Rosaleda shopping centre in Spain was acquired during the reporting year and is not included. Scope restrictions are provided depending on the CSR indicators. For all of its reporting, Carmila includes its three countries within its scope (France, Spain and Italy), unless otherwise stated.

Environmental indicators

The reporting period for environmental information is 1 October of the prior year to 30 September of the year under review, except for environmental and biodiversity certifications. These certifications are assessed over a calendar period, from 1 January to 31 December of the year in question.

Environmental certification rate

This indicator is used to confirm the environmental quality of the assets which guarantee sustainable and environmentally-friendly design and management, as well as attractiveness to visitors, retail brands and investors. For the purposes of this document, any environmental action relating to an asset validated by a recognised third party is considered certified. The indicator relates to all assets under development or in operation in the Carmila portfolio in the three countries where the Company is present at 31 December of the year under review. The entire portfolio is covered apart from:

- sites sold or acquired by Carmila in the reporting year;
- sites that have been managed by Carrefour Property for less than a year;
- sites without common areas and/or shared technical equipment;
- sites where Carmila is not the majority owner of the shopping centre;
- sites carrying out works during the year.

Reported asset value: 94.8%.

Estimated asset value: 0%.

Energy intensity

This indicator is used to calculate energy savings and costs attributable to the energy management policy of shopping centres.

Scope

Any missing or inconsistent consumption information is estimated by extrapolating the surface area data to the rest of the site for a given data item. The scope also includes Carmila's head office.

Common areas

Common areas include the shopping centres and any areas that are heated, ventilated, air-conditioned (excluding car parks) with shared heating, air conditioning and hot water systems provided by the property complex manager. For business parks without indoor common areas, the outdoor forecourt areas of these parks were also included in the indicator as of 2022. Energy includes the consumption of gas, electricity, heating oil, district heating and cooling networks and renewable energy from 1 October of the prior year to 30 September of the year under review. As such, the energy consumption of private areas (occupied by tenants) that are not connected to common areas are excluded from the scope of consumption. It should be noted that the consumption of heating oil represents deliveries of heating oil billed over the year, and not the actual consumption of generators.

Tenants operating directly out of the common areas (stands) and any Pop-Up Stores (leases of less than three years) without their own meter may be included in the consumption for the common areas insofar as Carmila remains the purchaser of the energy consumed. However, the consumption of digital advertising panels as well as the consumption of common areas generated by opening hypermarkets and supermarkets when the centre itself is closed are excluded from the calculation.

Calculation methods

Energy intensity is expressed as final energy, which is the energy consumed by the end user. It corresponds to the remote reading, bill or, failing that, an estimate of consumption based on total energy spending. Where data is missing, an estimate is made based on other data in the reporting period.

The consumption of car parks is not included in the calculation of energy intensity for France in 2022, the first year that this new guidance is in place, in line with the best practices of the EY and FACT non-financial reporting guidelines.

The methods for calculating consumption in common areas and private areas using shared equipment are those defined by EPRA guidelines.

Reported and estimated rate (as a percentage of portfolio value)

Reported asset value: 100%.

Estimated asset value: 2.4%.

Water intensity

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites with a fixed annual estimate.

In France, the scope is also limited to the consumption of sanitary facilities. The data for other sources of consumption are currently unavailable for France.

In Italy and Spain, all items are included: sanitary facilities, HVAC, green areas and cleaning, with the exception of fire safety.

Only sites with a known number of visitors are reported under this indicator.

Calculation methods

Water intensity is expressed in cubic metres per square metre (cu.m./sq.m.) for the surface areas of common areas and in litres per visitor. Where data are missing, an estimate is made based on other data in the reporting period and on the number of visitors. Sites that do not have data on the number of visitors are therefore excluded from the scope. The surface area of common areas is used to report water intensity per square metre, using the same method as for energy intensity.

Reported and estimated rate (as a percentage of portfolio value) for water intensity in litres/visitor

Reported asset value: 82%.

Estimated asset value: 21.3%.

Reported and estimated rate (as a percentage of portfolio value) for water intensity in cu.m./sq.m.

Reported asset value: 100%.

Estimated asset value: 36.9%.

Waste recovery rate

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites acquired or sold during the year under review;
- standalone retail units whose property management is entrusted to Carrefour Property or another asset manager.

In 2018, reporting covered only 58 sites in France and 14 in Spain. In 2019, head offices were added to the list, along with further assets in France and especially Italy. Lastly, in 2022, reporting covered all of Carmila sites in all three countries, rounded out by estimations of waste and recovery tonnages where necessary, i.e., the same approach as in 2021.

Calculation methods

Recovery is expressed as a percentage of tonnage of recovered waste relative to total waste production. Where data are missing, an estimate of the tonnages of non-hazardous industrial waste and cardboard produced and recovered is made from the data reported for the period and on the basis of the total surface area of the centre (linear extrapolation).

For sites where recovery is managed by the municipality, a theoretical recovery rate is applied based on actual data from the public reports of the local authorities. For sites where recovery is managed by the hypermarket, Carrefour's reporting breaks down estimated rates by flow and by month.

Reported and estimated rate (as a percentage of portfolio value) for waste production

Reported asset value: 99.5%.

Estimated asset value: 23%.

Percentage of sites that have rolled out an initiative in favour of biodiversity

This indicator reports on the measures implemented to preserve the biodiversity of the sites. The actions taken into account are the following:

- setting up of beehives;
- installing nesting boxes;
- installing insect hotels;
- eco-pastures;
- planting flower meadows;
- green walls;
- collaborative vegetable gardens;
- biodiversity-related label (e.g., BiodiverCity®);
- responsible maintenance practices.

Scope

The CSR scope excludes:

- sites under construction between 1 October of the prior year and 30 September of the year under review;
- sites acquired or sold during the year under review;
- standalone retail units whose property management is entrusted to Carrefour Property or another asset manager.

Calculation methods

The indicator is the ratio of the asset value of the shopping centres that have implemented a measure to the total value of the portfolio (no exclusions).

Reported and estimated rate (as a percentage of portfolio value)

Reported asset value: 99.5%.

Estimated asset value: 0%.

Greenhouse gas emissions from energy consumption for the three countries (tCO_2e) – Scopes 1, 2 & 3

This indicator is used to consolidate all greenhouse gas emissions from the energy consumption of common areas and private areas serviced by shared equipment. The reporting period is the same as that for other environmental indicators, from 1 October of the prior year to 30 September of the year under review, with the start date used as the baseline. The scope, exclusions and estimates are the same as those applied for the energy intensity indicator. The market-based methodology applies emission factors by type of energy and by country, taken from the carbon database of the French energy agency, ADEME, to calculate emissions for each form of consumption. For the market-based methodology, the emission factors applied are the residual factors of the AIB and those of electricity suppliers in France.

Carbon intensity of common areas (tCO_2e/sq.m.)

This indicator is used to consolidate all greenhouse gas emissions from the energy consumption of common areas and private areas serviced by shared equipment as a ratio of the surface area of common areas and private areas serviced by shared equipment in sq.m. The scope, reporting period, exclusions and estimates are identical to those for the indicators "Greenhouse gas emissions from energy consumption for the three countries" and "Energy intensity". Market-based and location-based methodologies are identical to the methodology for the indicator "Greenhouse gas emissions from energy consumption for the three countries".

Greenhouse gas emissions from business travel of employees in France, Spain and Italy (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from the business travel of employees in France. The reporting period is the same as that for other environmental indicators, from 1 October of the prior year to 30 September of the year under review, with the start date used as the baseline. For this reporting year, only employees in France, Spain and Italy are included. The scope includes train, plane and car travel by Group employees (excluding commutes).

Greenhouse gas emissions from visitor travel in France, Spain and Italy (tCO_2e) – Scope 3

The indicator is used to consolidate all greenhouse gas emissions from visitor travel to Carmila's shopping centres. For this second year of reporting, all three countries are included. In France, this indicator is calculated annually on the basis of visitor surveys carried out by each shopping centre. The survey was extended to Italy and Spain in 2022 in order to standardise the methodology. An average is taken from responses for all shopping centres, extrapolated from the total number of visitors who have visited the centres using a counting system.

Greenhouse gas emissions from waste management (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from waste treatment at Carmila's shopping centres. For the year under review, it covers France, Spain and Italy. The indicator is calculated annually based on reported tonnage data and does not include estimates made for the waste recovery indicator. The greenhouse gas emission factors from end-of-life treatment were updated to take into account the latest values published by ADEME.

Emissions from construction or the restructuring of assets (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions from the construction and renovation of assets. It relates to areas built or restructured during the year. Only assets covering an area of over 1,000 sq.m. are taken into account. The emission factor used is based on a benchmark of the carbon footprint of Carmila's latest projects, as conducted by EY in 2022.

Greenhouse gas emissions associated with Carmila's purchases in France, Spain and Italy (tCO_2e) – Scope 3

This indicator is used to consolidate all greenhouse gas emissions associated with purchases. The reporting period is the same as that for other environmental indicators.

The emission factors in $kgCO_2$ per euro associated with each type of purchase are based on the ADEME carbon database.

Labour indicators

Number of CSR events

This indicator is used to calculate the ability to establish the activities of the shopping centre in its region and to promote relations with local residents and stakeholders (charities, etc.). This indicator is used to monitor and record the number of events held on sites each year. Five topics are taken into account:

- access to culture and sport;
- charity and community outreach;
- regional, economic and social impact;
- public health;
- sustainable development.

This indicator applies to shopping centres with a centre management team in France, Spain and Italy. Sites without public common areas (business parks) and sites where the shopping centre management team has not completed a full year of operation are excluded. The indicator covers 82% of the Group's portfolio in terms of value.

Customer and visitor satisfaction rate

This indicator is used to measure visitor satisfaction, especially as regards the comfort of the different visitor experiences. It is used to monitor changes in customer satisfaction.

Its scope includes 186 sites owned and managed by Carmila in France, Spain and Italy, amounting to 95% of Group scope in terms of value.

For the rate of satisfied customers, the scores "Somewhat satisfied" and "Very satisfied" and scores of 7 or more out of 10 are taken into account.

The Group satisfaction rate is calculated as the weighted average (by number of visitors per country per year) of the rates for each country.

As the Group's consolidation method was revised this year, 2019 and 2020 data have been recalculated.

Percentage of centres running one or more CSR events during the year

This indicator applies to shopping centres in France, Spain and Italy with a centre management team.

The centre management team is responsible for events and activities held at the centre. Business parks do not have covered common areas that can easily be used for events.

The following are excluded:

- shopping centres acquired or sold during the year;
- assets that underwent works requiring the closure of the centre during the year;
- standalone retail units whose property management is entrusted to Carrefour Property or another asset manager;
- shopping centres without a Carmila centre management team;
- business parks;
- shopping centres that took over centre management during the reporting year or the previous year and therefore did not complete a full calendar year of operation.

The reporting period runs from 1 January to 31 December. Programmes that begin between 1 January and 31 December of the reporting year are taken into account.

Employment-related events are not included in this indicator.

Only one-off events, coordinated by an individual or organisation (partner, non-profit, employee, etc.), are included in the calculation (long-term actions are not included).

This indicator shows the asset value of the shopping centres that have carried out at least one CSR action as a percentage of the total value of the portfolio (no exclusions).

Percentage of shopping centres with centre management running an employment initiative

The scope and reporting period are the same as for the previous indicator.

The following are excluded:

- shopping centres acquired or sold during the year;
- assets that underwent works requiring the closure of the centre during the year;
- standalone retail units whose property management is entrusted to Carrefour Property or another asset manager;
- shopping centres without a Carmila centre management team;
- business parks;
- shopping centres that took over centre management during the reporting year or the previous year and therefore did not complete a full calendar year of operation.

Employment-related events are included in this indicator. One-off events that begin between 1 January and 31 December of the reporting year and long-term programmes (website page) that are active during the reporting year are taken into account.

This indicator shows the asset value of the shopping centres that have carried out at least one action to promote employment as a percentage of the total value of the portfolio (no exclusions).

Customer and visitor NPS

This indicator reflects customer satisfaction and loyalty, through the Carmila recommendation rate. It is defined as the percentage of detractors subtracted from the percentage of promoters.

Its scope includes 186 sites owned and managed by Carmila in France, Spain and Italy, amounting to 95% of Group scope in terms of value.

The Group NPS is calculated as the weighted average (by number of visitors per country per year) of the NPS of each country.

Retailer satisfaction rate

In France, a survey was conducted internally at 189 centres in 2021, covering 97% of the Group's assets in terms of value.

For the rate of satisfied retailers, scores of 7 or more out of 10 are taken into account.

Responsible second-hand offering

This indicator is used to measure Carmila's ability to adapt to new market trends and consumer needs.

The second-hand offering must cover at least 50% of the store's leasable area or shelf space and meet several criteria. Certain conditions immediately disqualify the shopping centre from providing a second-hand offering, such as: wastage/mismanagement of waste and energy, greenwashing, child labour, non-compliance with labour standards, social inequality, use of controversial/toxic products.

The indicator is calculated as the percentage of shopping centres, in terms of portfolio value, that have a second-hand offering during the year under review. Shopping centres with more than one offering are only counted once.

The indicator covers 82% of the Group's portfolio. Sites without a shopping centre management team or public common areas (business parks), and sites where the shopping centre management team has not completed a full year of operation, are excluded from this indicator.

Labour indicators

Permanent employees (part- and full-time) at 31 December

This indicator covers Carmila employees in the three countries – France, Spain and Italy – and is calculated over the calendar year from 1 January to 31 December. It only takes into account employees actively working during this period, on permanent part-time or full-time contracts.

Employees on suspended contracts are excluded, but employees on long-term leaves of absence are included.

Workplace accident frequency rate

This indicator is used to assess the frequency of workplace accidents involving Carmila employees.

This indicator covers Carmila employees in the three countries – France, Spain and Italy – and is calculated over the calendar year from 1 January to 31 December.

An accident is included if it involves lost work time. Commuting accidents are excluded from this calculation.

The number of theoretical working hours corresponds to the number of contractual working hours over 11 months of all employees at 31 December of the reporting year, taking into account their arrival and departure dates.

Staff turnover

This indicator assesses the ability to retain key skills and maintain employee engagement. Poor working conditions can lead to excessive turnover and erode the employer brand image. Temporary secondments of employees to another company within the Group are not included in the number of departures.

The indicator covers employees on full-time permanent contracts.

It is calculated as follows:

(Number of departures of permanent employees in the year + Number of new hires on permanent contracts during the year)/2/Staff on full-time permanent contracts at 1 January of the same year.

Employee satisfaction rate

This indicator is used to measure quality of life at work. The scope covers the three countries. These data are from the annual satisfaction surveys conducted with responses to the question: "are you satisfied with your job?" Scores of 7 or more out of 10 are taken into account when calculating the satisfaction rate.

In all three countries, surveys are conducted by the Data Insight department. An email is sent to all Group employees (except the Executive Committee) at the time of the survey.

Average annual manager compensation by gender

This indicator is used to assess the gender pay gap in the manager (cadre) category, which is the most representative within the Company. The scope includes employees present at 31 December of the year under review, on a full- or part-time permanent contract in effect.

Senior managers, executives, employees, supervisors and managerial-grade employees without bonuses are excluded. Employees on suspended contracts or long-term leaves of absence are also excluded.

The compensation of part-time employees is also excluded from the calculation.

The compensation used is the average annual gross compensation based on the employee's pay for December. Bonuses are not taken into account.

The pay gap between managerial-grade employees is calculated as follows:

(Average gross compensation of women at 31 December/average gross compensation of men at 31 December – 1).

Percentage of employees trained

Every year, Carmila measures the percentage of employees trained.

Only employees under permanent contracts (part-time or full-time) are included in the calculation, while those on suspended contracts or long-term leaves of absences are excluded. This indicator covers both in-class and online training (including e-learning) provided for employees present throughout the year, with no minimum length of service.

The indicator is determined as follows:

Number of employees trained/Permanent staff in current year.

Percentage of employees trained who are most exposed to the risk of influence peddling and corruption

Each year, the Ethics Committee identifies jobs that are exposed to corruption risks (principals, negotiators, positions involving approval and authorisation from elected and public officials), based on the Carrefour group's risk map. The indicator assesses the Company's ability to provide an ethical environment. Employees are deemed to have been trained in the year under review if they benefited from training in that year. This indicator covers Group staff (three countries) in service from 1 January to 31 December of the year in question.

The indicator is determined as follows:

Number of employees exposed to risks and trained/Number of employees exposed to risks.

Weighted Gender Equality Index

The rate calculated at Group level is weighted with the proportion of managerial-grade staff in each country out of the Group total.

4.6.7 Report by the Statutory Auditor, appointed as independent third party, on the consolidated non-financial performance statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended 31 December 2022

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter "the entity"), appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1884[(1)], we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2022, voluntarily provided by your company, pursuant to the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on our work, as described in the section "Nature and scope of our work", and the information collected, nothing has come to our attention that causes us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Preparation of the non-financial statement

The lack of a generally accepted and commonly used reference framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are presented in the Statement or are available on the Company's website or on request from its registered office.

Limitations inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information presented in the Statement is sensitive to methodological choices, assumptions and/or estimates made in its preparation.

The entity's responsibility

Management is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators;
- preparing the Statement by applying the aforementioned of the entity; and
- implementing the internal control procedures it deems necessary for the preparation of information that is free of material misstatement, whether due to fraud or error.

The Statements has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (whether observed or extrapolated) provided in accordance with Article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks.

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation, nor on the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable French professional standards

The work described below was performed in accordance with the provisions of articles A.225-1 *et seq*. of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes, CNCC) applicable to such engagements, in particular, the CNCC technical opinion – Statutory Auditor engagement – Independent third party engagement – Non-financial information statement, and with ISAE 3000 (Revised)[(2)].

Independence and quality control

Our independence is defined by the requirements of Article L.822-11 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the French professional standards for Statutory Auditors applicable to such engagements.

(1) Cofrac Inspection accreditation, No. 3-1884 whose scope is available at www.cofrac.fr.
(2) ISAE 3000 (Revised) – Assurance engagements other than audits or reviews of historical financial information.

Means and resources

Our work was carried out by a team of six persons between December 2022 and February 2023 and lasted five weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal associated risks;
- We assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in Article L.225-102-1 regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators relating to the main risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks, as well as the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
  - corroborate qualitative information (actions and outcomes) that we considered to be the most important, as specified in the Appendix. For certain risks[1], our work was carried out at the level of the consolidating entity, and for others, our work was conducted at the level of the consolidating entity as well as a sample of entities[2];
- We verified that the Statement covers the scope of consolidation, i.e., all the entities included in the scope of consolidation in accordance with Article L. 233-16 within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important as presented in the Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques or other methods of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 41% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in France; a higher level of assurance would have required us to carry out more extensive procedures.

Paris La Défense, 15 February 2023

KPMG SA

Caroline Bruno-Diaz	Adrien Johner	Fanny Houlliot
Partner	Partner	ESG Expert
		ESG Centre of Excellence

(1) Responsible procurement; resilience and green value; energy and greenhouse gases.
(2) Carmila France; Carmila Italy.

Appendix

Qualitative information (actions and outcomes) considered most important
Measures taken for gender equality and outcomes
Safety assessments and scores
Skills development plan
Financing of carbon reduction and sequestration projects
Waste management diagnostics and action plans
Guide to biodiversity-friendly plant varieties in centres
Specific studies to assess transitional, social and financial climate change risks
Green Construction Site Charter
Policy for fighting corruption and influence peddling
Actions to promote innovation and a responsible offering
Partnerships and sponsorships

Key performance indicators and other quantitative outcomes considered most important
LABOUR INFORMATION
Permanent employees at 31 December (part- and full-time)
Managerial-grade pay gap
Percentage of employees trained
Workplace accident frequency rate
Proportion of employees who received training on ethical risks
ENVIRONMENTAL INFORMATION
Energy consumption and energy intensity in common areas
Carbon intensity of common areas (market- and location-based)
Total greenhouse gas emissions – Scopes 1, 2 & 3 (market- and location-based)
Waste recovery rate
Percentage of centres that have rolled out an initiative in favour of biodiversity
Water intensity (water consumption per visitor)
Environmental certification rate
SOCIAL INFORMATION
Local purchasing index operational on current project contracts
Customer and visitor satisfaction rate
Retailer satisfaction rate
Percentage of shopping centres (by portfolio value) having organised a CSR event
Percentage of shopping centres (by portfolio value) with a centre management team running an employment initiative

5.

Corporate governance

The practices of the Company's governance bodies are governed by the relevant legal provisions, the Company's By-Laws and the Board of Directors' Rules of Procedure.

In particular, the Rules of Procedure set out the procedures for holding Board of Directors' meetings, specify its powers beyond those provided for by law or the Company's By-Laws and, additionally, cover the creation, roles and responsibilities of the various Committees of the Board of Directors. The Board of Directors ensures that the Rules of Procedure are regularly reviewed, so that they can be adapted to incorporate changes in corporate governance rules and best practice.

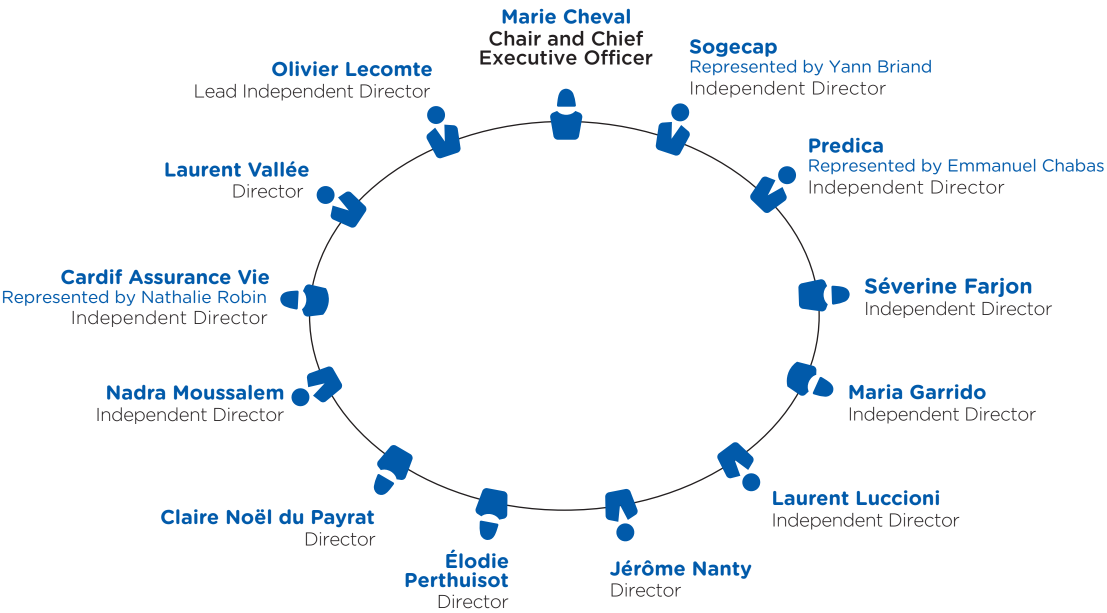
The Company refers to the AFEP-MEDEF Code of Corporate Governance (AFEP-MEDEF Code), as revised in December 2022. The AFEP-MEDEF Code may be consulted at the Company's registered office and on the MEDEF and AFEP websites at www.medef.com and www.afep.com, respectively.

In accordance with the AFEP-MEDEF Code, and pursuant to Article L. 225-37 of the French Commercial Code (*Code de commerce*), the Company complies with all the recommendations of the AFEP-MEDEF Code.

Corporate governance structure

* The Committee is chaired by an independent Director.

Membership of the Board of Directors at 31 December 2022



5.1 Carmila's corporate governance

5.1.1 Executive Management team

5.1.1.1 Executive Management structure

In accordance with Article 14 of the Company's By-Laws, the Company's Executive Management structure is determined by the Board of Directors.

At its meeting of 12 June 2017, the Board of Directors decided to combine the previously separate duties of Chair of the Board of Directors with those of Chief Executive Officer, in order to enhance the efficiency of the decision-making process within the Company and to strengthen corporate cohesion.

On 2 November 2020, on the recommendation of the Nomination and Compensation Committee, the Board of Directors appointed Marie Cheval as Chair and Chief Executive Officer, with effect from 3 November 2020 until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023. On 26 November 2020, acting on the proposal of the Nomination and Compensation Committee, the Board of Directors confirmed Sébastien Vanhoove's term of office as Deputy Chief Executive Officer.

Executive Management team

Marie Cheval – Chair and Chief Executive Officer

Marie Cheval is a graduate of Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the French General Inspectorate of Finance. From 2002 to 2011, she held a number of positions with the La Poste group, including Director of Financial Services Strategy for La Poste and later for La Banque Postale. Also at La Banque Postale, she was Marketing and Sales Director (2006-2009) and Director of Operations (2009-2011). In 2011, she joined the Société Générale group as Director of Global Transactions and Payment Services and was then appointed Chief Executive Officer of Boursorama in 2013. On 2 October 2017, she joined the Carrefour group as Executive Director, Customers, Services and Digital Transformation, before becoming Executive Director, Hypermarkets France and Group Financial Services in September 2018.

Marie Cheval, a Director of Carmila since 2017, was appointed Chair and Chief Executive Officer by the Board of Directors on 2 November 2020 to replace Alexandre de Palmas.

Sébastien Vanhoove – Deputy Chief Executive Officer

Sébastien Vanhoove has a Master's in Advanced Studies in Corporate Law from the University of Lille and a Master's in Advanced Business Administration from IAE Caen. He began his career as in-house counsel then Head of Legal at Immochan and Gesceco, then Immobilière Carrefour. He went on to join A2C, part of the SNCF group, where, between 2003 and 2013, he held the positions of Legal and Rental Management Director, Chief Operating Officer then Deputy Chief Executive Officer, responsible for defining and implementing a policy to enhance retail areas, tailored to each station. In 2014, he joined Carrefour Property France, where he held the position of Chief Operating Officer, then Deputy Chief Executive Officer. He has been Chief Executive Officer of Carrefour Property France since November 2017 and is responsible for managing human capital, project operations and sites, including defining and implementing development, extension and restructuring projects and, since October 2019, the functional management of Carrefour Property Spain and Italy. In August 2018, Sébastien Vanhoove was appointed Deputy Chief Executive Officer of Carmila, and his term of office was confirmed on 26 June 2019, following the appointment of Alexandre de Palmas as Chairman and Chief Executive Officer, and then on 26 November 2020 at the time of Marie Cheval's appointment as Chair and Chief Executive Officer.

5.1.1.2 Executive Management powers

Decisions requiring the prior authorisation of the Board of Directors

Pursuant to the Board of Directors' Rules of Procedure and without prejudice to the applicable laws and regulations, none of the following decisions (or the principal components of such decisions) may be validly taken without prior approval by the Board through a simple majority of the votes of the Directors present or represented at the relevant meeting:

(i) any transaction or agreement likely to affect the business strategy of the Company and its Subsidiaries, the scope of their activity or their tax treatment;

(ii) any transaction that affects the share capital of the Company or of one of its Subsidiaries, immediately or in the future, (such as a merger, spin-off, partial asset contribution, capital increase, capital reduction, issue of securities giving access to the share capital of the Company or one of its Subsidiaries, etc.), unless it concerns an intra-Group transaction;

(iii) the approval of the annual budget of the Company and its Subsidiaries (including the income statement, balance sheet, annual financing plan and annual investment plan [capex]);

(iv) any transaction or commitment with a value greater than €15 million, in particular:

- any proposed transfer (in the form of a contribution, exchange, acquisition or sale) of real estate or tangible assets or rights, debt claims, leasehold rights or intangible assets by the Company or one of its Subsidiaries (with the €15 million threshold calculated on the basis of asset value excluding transfer taxes and duties),
- any proposed total or partial transfer (in the form of a subscription, contribution, exchange, acquisition or sale) of shares or securities of any group or company, in law or in fact, by the Company or one of its Subsidiaries,
- any proposed investment (capex) by the Company and/or the Subsidiaries in its or their real estate assets (including renovation and extension plans), and
- any proposed transaction and any settlement with respect to the Company or one of its Subsidiaries in connection with a dispute or other litigation.

The prior authorisation mentioned in this paragraph (iv) does not apply to intra-Group transactions;

(v) any proposal involving the granting by the Company or one of its Subsidiaries of a loan, cash advance or advance on a current account to a person or entity that is not a Subsidiary exceeding a total combined annual amount for the Company and its Subsidiaries of €5 million for all loans and advances granted;

(vi) the subscription of any debt by the Company and its Subsidiaries, including by issuing debt securities (except for intra-Group advances granted by the Company to the Subsidiaries), any refinancing or any extension, renewal or modification of existing debt, in each case for an amount greater than or equal to €200 million per transaction, with the Chief Executive Officer reporting transactions below said threshold to the Board;

(vii) the granting of guarantees, pledges, undertakings, security interests or liens by the Company or its Subsidiaries (i) to third parties for an annual amount greater than or equal to €500,000 per undertaking and in excess of a total combined annual amount of €5 million for the Company and its Subsidiaries, and (ii) to Subsidiaries for an annual amount greater than or equal to €10 million per undertaking and exceeding a total combined annual amount of €100 million for the Company and its Subsidiaries;

(viii) the creation or substantial modification of the general framework and financing conditions for services relating to lease management, asset management, shopping centre management, marketing or Specialty Leasing of real estate assets held by the Company and its Subsidiaries in cases where such services are part of an agreement with a Reference Shareholder (defined as any entity having a significant direct or indirect influence on the Company) and/or any Affiliate of such Reference Shareholder and the early termination or renewal of such agreements (the conclusion or amendment of such agreements need not be submitted to the Board, provided that they comply with the general framework and financing conditions approved by the Board, such that they constitute agreements entered into under the general framework previously approved by the Board). The Directors representing the Reference Shareholder (other than the Chair) do not vote on these decisions; and

(ix) the conclusion, substantial modification, early termination or renewal of any agreement mentioned below between (a) the Company and/or one of its Subsidiaries and (b) a Reference Shareholder and/or any Affiliate of such Reference Shareholder:

a. the Renovation and Development Agreement,
b. any agreement relating to the provision of administrative or accounting services for a per-agreement amount exceeding €200,000 (excluding tax) per year,
c. any agreement relating to the granting of loans, advances, guarantees, pledges, undertakings, security interests or liens to a Reference Shareholder and/or any Affiliate of such Reference Shareholder,
d. any agreement relating to the transfer (in the form of a contribution, exchange, acquisition or sale) of real estate or tangible assets, shares or securities or intangible assets in an amount individually exceeding €2 million (excluding transfer taxes and duties), or
e. any other agreement in respect of which the total amount to be paid exceeds €2 million (excluding tax) per year, other than (a) agreements entered into or transactions carried out pursuant to the Renovation and Development Agreement and/or the above-mentioned agreements and (b) agreements entered into in the normal course of business (i.e., maintenance, renovation and development work related to real estate assets held by the Company and its Subsidiaries).

The Directors representing the Reference Shareholder do not vote on these decisions.

For the purposes of the above:

(i) "Affiliate" means, with regard to a person, any entity that directly or indirectly, through one or several entities, controls such person, is controlled by such person, or is under the same Control as such person;

(ii) "Control" means, with regard to a person, directly or indirectly holding at least fifty per cent (50%) of the capital and voting rights of such person; and

(iii) "Subsidiary" means, at any time, any entity directly or indirectly controlled by the Company.

5.1.1.3 Implementation of a diversity and gender balance policy within the governance bodies

Carmila's Executive Management has always sought to pursue a policy of diversity in its recruitment process and to maintain a balanced representation of men and women within its governance bodies.

The diversity policy informs all human resources decisions, from the recruitment process to succession planning, and seeks to ensure appropriate diversity not only in terms of gender but also of age, nationality and professional background.

Carmila signed the Diversity Charter on 28 September 2018 and has drawn up a Responsible Recruitment Charter to ensure strict compliance with anti-discrimination rules when recruiting new staff.

In compliance with the recommendations of the AFEP-MEDEF Code, Carmila's Executive Management proposed gender balance targets and an action plan to the Board of Directors at its meeting of 15 March 2023.

Since 2022, Carmila's Executive Committee has comprised nine members, four of whom are women.

The workplace equality index is taken into account in the performance criteria for Carmila's 2020 free preference share plan (2020 FPSP) and 2021 free share plan (2021 FSP). The Group has committed to calculating this index for its three countries (France, Spain and Italy).

In 2020, the Social and Economic Committee set up a Gender Equality Committee, which made proposals for improving gender equality at Carmila across all job grades.

In December 2021, Carmila signed the Equality Charter for real estate companies.

Lastly, members of the Executive Committee and managers were given training sessions on unconscious biases during the year.

In parallel, the Human Resources Department, in collaboration with Carmila's CSR Department, defined objectives – with performance indicators – to encourage concrete actions to achieve gender balance within the governance bodies.

5.1.1.4 Reviewing a succession plan for corporate officers and key senior executives

On the recommendation of the Nomination and Compensation Committee, at its meeting of 24 March 2022 the Board of Directors reviewed an emergency succession plan and a mid- to long-term succession plan for the corporate officers as well as all the members of its Management. This succession plan was reviewed and updated by the Nomination and Compensation Committee at its meeting on 15 March 2023 and by the Board of Directors on 23 March 2023.

5.1.2 Board of Directors and its Committees

5.1.2.1 Membership of the Board of Directors and its Committees at 31 December 2022

In accordance with the By-Laws in force, the Board of Directors must have at least three and no more than 18 members. At 31 December 2022, the Board of Directors was made up of 13 Directors, including 1 Lead Independent Director.

The duration of a Director's term of office is four years. However, the Annual General Meeting may designate one or several Directors for a different duration not exceeding four years so that the Board of Directors may be re-appointed each year on a staggered basis, in accordance with the recommendations of the AFEP-MEDEF Code.

The table below shows the membership of the Company's Board of Directors at 31 December 2022:

Member of the Board of Directors	Gender	Nationality	Age	Independent	First appointed	Start of current term	End of current term[1]	Length of service on the Board	Number of shares held	Membership of Committees
Marie Cheval Chair and Chief Executive Officer	W	France	48	No	03/10/2017	29/06/2020	31/12/2023	63 months	5,939	SIC CSRC
Olivier Lecomte Lead Independent Director	M	France	57	Yes	12/06/2017	29/06/2020	31/12/2023	66 months	1,131	AC (Chairman) NCC
Sogecap (rep. by Yann Briand) Director	M	France	48	Yes	12/06/2017	18/05/2021	31/12/2024	66 months	8,224,492	AC
Predica (rep. by Emmanuel Chabas) Director	M	France	46	Yes	12/06/2017	18/05/2021	31/12/2024	66 months	14,068,956	SIC
Séverine Farjon Director	W	France	48	Yes	12/06/2017	16/05/2019	31/12/2022	66 months	1,001	NCC (Chair) CSRC (Chair)
Maria Garrido Director	W	Spain	49	Yes	16/05/2018	16/05/2018	31/12/2025	55 months	1,000	AC CSRC
Laurent Luccioni Director	M	France	51	Yes	12/06/2017	29/06/2020	31/12/2023	66 months	1,089	NCC
Nadra Moussalem Director	M	France	46	Yes	12/06/2017	29/06/2020	31/12/2023	66 months	1,000	SIC
Jérôme Nanty Director	M	France	61	No	03/04/2019	16/05/2019	31/12/2022	48 months	1,000	NCC SIC
Claire Noël du Payrat Director	W	France	54	No	24/10/2018	16/05/2019	31/12/2022	50 months	1,000	AC
Élodie Perthuisot Director	W	France	46	No	18/05/2021	18/05/2021	31/12/2024	18 months	1,000	-
Cardif Assurance Vie (rep. by Nathalie Robin) Director	W	France	60	Yes	12/06/2017	18/05/2021	31/12/2024	66 months	12,944,249	SIC (Chair) CSRC
Laurent Vallée Director	M	France	52	No	04/09/2017	29/06/2020	31/12/2023	64 months	1,000	SIC NCC CSRC

AC: Audit Committee.
NCC: Nomination and Compensation Committee.
SIC: Strategy and Investment Committee.
CSRC: CSR Committee.
(1) Annual General Meeting called to approve the financial statements for the financial year then ended.

5.1.2.2 Changes in the membership of the Board of Directors and its Committees during 2022

The table below shows the changes in the membership of the Board of Directors and its Committees during 2022:

	Departures	Appointments/co-optations	Re-appointments
Board of Directors	-	-	Maria Garrido
Audit Committee	-	-	Maria Garrido
Strategy and Investment Committee	-	-	-
Nomination and Compensation Committee	-	-	-
CSR Committee	-	-	Maria Garrido

Changes in the membership of the Board of Directors during 2022

The Annual General Meeting of 12 May 2022 decided to re-appoint Maria Garrido as Director for a term of four years, i.e., until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025.

The Company's Board of Directors has 13 members.

Changes in the membership of the Board of Directors' Committees during 2022

As Maria Garrido's term of office as a Director was renewed, she was re-appointed as a member of the Audit Committee and CSR Committee.

5.1.2.3 Board diversity, gender balance and complementary skill sets

A Board membership reflecting the shareholder structure

At end-2022, Carmila's Board of Directors had 13 members:

- Chair and Chief Executive Officer: Marie Cheval;
- eight Independent Directors, three of whom are permanent representatives of institutional shareholders: Yann Briand, permanent representative of Sogecap; Emmanuel Chabas, permanent representative of Predica; Nathalie Robin, permanent representative of Cardif Assurance Vie; Séverine Farjon; Maria Garrido; Laurent Luccioni; Nadra Moussalem; and Olivier Lecomte, Lead Independent Director;
- four Directors representing the Reference Shareholder, Carrefour: Claire Noël du Payrat, Élodie Perthuisot, Laurent Vallée and Jérôme Nanty.

The Board of Directors regularly examines whether the Board and its Committees have a suitably balanced membership structure, in order to guarantee shareholder representation and the independence necessary for the performance of its duties. A breakdown of Carmila's ownership structure at 31 December 2022 can be found in chapter 7 of this document.

A Board comprising a majority of Independent Directors

Under its Rules of Procedure, it is the Board of Directors' responsibility to carry out an annual review of the independence of each of its Directors, based on the recommendations of the Nomination and Compensation Committee.

According to the AFEP-MEDEF Code, Directors are independent if they have no relationship of any kind with the Company, its Group or its Management that could compromise their freedom of judgement. Thus, an Independent Director must not only be a non-executive Director, i.e., one not performing any management duties within the Company or its Group, but must also be free of any particular vested interest (as a significant shareholder, employee or otherwise) in the Company or its Group.

In order to determine the independence of each of its Directors, the Board of Directors used the following criteria in the AFEP-MEDEF Code:

- **criterion 1:** an Independent Director must not be, or must not have been, over the past five years:
  - an employee or executive corporate officer of Carmila,
  - an employee, executive corporate officer or director of a company that is consolidated by Carmila,
  - an employee, executive corporate officer or director of Carmila's parent company or a company that is consolidated by Carmila's parent company;
- **criterion 2:** an Independent Director must not be an executive corporate officer of a company in which Carmila directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of Carmila (currently in office or having held such office over the past five years) holds a directorship;
- **criterion 3:** an Independent Director must not be (or not be directly or indirectly linked to) a customer, supplier, investment banker, commercial banker or advisor that is material for Carmila or its group, or for which Carmila or its group represents a significant proportion of business;
- **criterion 4:** an Independent Director must not be related by close family ties to a corporate officer;
- **criterion 5:** an Independent Director must not have been a Statutory Auditor of Carmila over the past five years;
- **criterion 6:** an Independent Director must not have been a Director of Carmila for more than 12 years;
- **criterion 7:** an Independent Director must not have received, as a non-executive corporate officer, variable compensation in cash or securities or any compensation linked to Carmila's performance;
- **criterion 8:** an Independent Director must not represent a major shareholder of Carmila or its parent company. Directors representing major shareholders of Carmila or its parent company may be regarded as independent if the relevant shareholder does not exercise control over Carmila. However, beyond a threshold of 10% of the share capital or voting rights, the Board of Directors will, based on a report by the Nomination and Compensation Committee, systematically review the Director's independence taking into account the Company's ownership structure and the existence of any potential conflicts of interest.

Several criteria are used to determine the materiality of business relationships: the precedence and history of the contractual relationship between the Carmila Group and the group within which a Company Director holds a corporate office or has executive duties; the existence of arm's length conditions in the contractual relationship; the absence of economic dependence or exclusivity; and the non-material nature of the revenues resulting from the business relationships between the group concerned and the Carmila Group.

In accordance with the Board of Directors' Rules of Procedure, Directors express their opinions freely and commit to preserving their independence of analysis, judgement, decision-making and action in all circumstances. They also undertake to resist any pressure, whether direct or indirect, that may be exerted on them by other Directors, specific groups of shareholders, creditors, suppliers or any other third party. Each Director shall refrain from seeking or accepting from the Company or its affiliates, either directly or indirectly, any benefits that could be considered likely to compromise his or her independence.

On the recommendation of the Nomination and Compensation Committee, on 23 March 2023 the Board of Directors carried out an annual review of the independence of its Directors.

With respect to the criteria defined in the AFEP-MEDEF Code, the Board considered that Nathalie Robin (permanent representative of Cardif Assurance Vie), Yann Briand (permanent representative of Sogecap), Emmanuel Chabas (permanent representative of Predica), and any legal entities of which they are permanent representatives, as well as Séverine Farjon, Maria Garrido, Olivier Lecomte, Nadra Moussalem and Laurent Luccion, were Independent Directors.

Having heard the opinion of the Nomination and Compensation Committee, the Board of Directors considered that the fact that Directors represent certain shareholders (i.e., Cardif Assurance Vie, Predica and Sogecap, directly or through other entities of their group) does not affect their independence. In this regard, the Board noted in particular the lack of control exercised by these shareholders over the Company, their status as institutional investors, the absence of significant business relationships and the absence of potential conflicts of interest.

Accordingly, 8 out of the 13 members of the Company's Board of Directors qualify as independent under the criteria adopted by the Company, i.e., 61.54%, in line with the recommendations of the AFEP-MEDEF Code.

The table below shows details on the independence of each of the Directors based on the independence criteria in the AFEP-MEDEF Code.

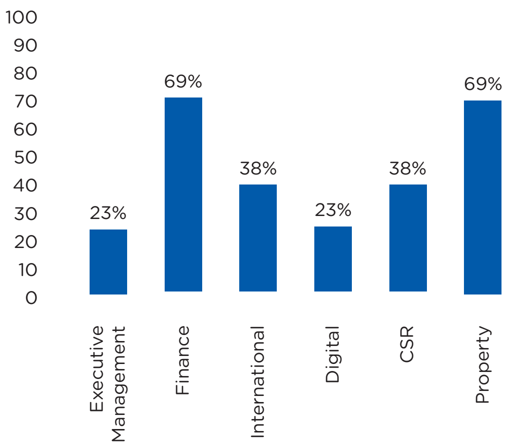
	Marie Cheval	Olivier Lecomte	Sogecap (rep. par Yann Briand)	Predica (rep. par Emmanuel Chabas)	Séverine Farjon	Maria Garrido	Laurent Luccioni	Nadra Moussalem	Jérôme Nanty	Claire Noël du Payrat	Élodie Perthuisot	Cardif Assurance Vie (rep. par Nathalie Robin)	Laurent Vallée
Criterion 1: employee and/or corporate officer in the past five years	X	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 2: cross-directorships	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 3: significant business relationships	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 4: family relationship	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 5: Statutory Auditor	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 6: in office for more than 12 years	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 7: non-executive corporate officer	√	√	√	√	√	√	√	√	√	√	√	√	√
Criterion 8: major shareholder	√	√	√	√	√	√	√	√	X	X	X	√	X
Independence	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No

Gender balance within the Board

With a total of 13 members on its Board of Directors at end-2022, six of whom are women (46.15%), Carmila exceeds the applicable legal requirements. The Board of Directors also seeks to ensure that its Committees have a balanced representation of men and women. Thus, the majority of the CSR Committee's members are women, half the members of the Audit Committee are women, and three out of four Committees are chaired by women.

Broad, cross-cutting and complementary skills

The Board of Directors boasts a broad array of skills through its highly experienced members who have proven expertise in property, finance, the digital sector, CSR and corporate executive management:



Implementation of a diversity policy

On the recommendations of the Nomination and Compensation Committee, the Board of Directors ensures compliance with the recommendations of the AFEP-MEDEF Code concerning its membership, a balance in the diversity of skills, professional experience, gender and age of its Directors, in line with applicable legal requirements. It periodically reviews the size and membership of the Board of Directors, as well as its Committees.

The diversity policy applied by the Board of Directors aims to ensure a membership that reflects the Company's stakeholders (partner networks, shareholders) as well as a good balance and fair distribution of experience, qualifications, cultures, ages, nationalities and seniority, in line with the Company's needs.

The re-appointment of Directors is proposed in light of this balance, and the need to have varied and complementary skills aligned with the Company's strategic priorities.

At its meeting on 23 March 2023, the Board of Directors reviewed its membership and procedures, and considered that it was of an appropriate size, with a balanced representation of women and men above the legal requirements, a proportion of Independent Directors also above the recommendations of the AFEP-MEDEF Code, and a broad array of skills and experience in line with the Company's strategic priorities.

5.1.2.4 Directors' profiles

In accordance with the Company's Rules of Procedure, upon accepting the role of Director, each Director must undertake to comply with the ethics rules set out in the AFEP-MEDEF Code and, in particular, not to take on more than four other directorships in listed companies, including foreign ones, outside the Group.

Each Director must (i) prior to their appointment, provide the Chair of the Board with a complete and detailed list of all directorships, salaried positions or other posts held with any other companies and (ii) immediately inform the Chair of the Board of any modification to said list during their term of office.

During the year, the Board of Directors was not asked by a corporate officer to approve a new corporate office in a listed company.

The main directorships and positions held by Carmila's Directors over the last five years are as follows:

Marie Cheval

MAIN POSITIONS IN THE COMPANY

Chair and Chief Executive Officer
Member of the Strategy and Investment Committee
Member of the CSR Committee

Seniority on the Board: 5 years

Date of birth:
15 September 1974

Nationality: French

Number of Company shares owned: 5,939

Date of appointment to the Board of Directors:
3 October 2017

Date of re-appointment:

Annual General Meeting of 29 June 2020

Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Marie Cheval is a graduate of Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA). In 1999, she joined the Inspectorate General of Finances. From 2002 to 2011, she held a number of positions with the La Poste group, including Director of Financial Services Strategy for La Poste and later for La Banque Postale. Also at La Banque Postale, she was Marketing and Sales Director (2006-2009) and Director of Operations (2009-2011). In 2011, she joined the Société Générale group as Director of Global Transactions and Payment Services and was then appointed Chief Executive Officer of Boursorama in 2013. On 2 October 2017, she joined the Carrefour group as Executive Director, Customers, Services and Digital Transformation, before becoming Executive Director, Hypermarkets France and Group Financial Services in September 2018.

Marie Cheval, a Director of Carmila since 2017, was appointed Chair and Chief Executive Officer by the Board of Directors at its meeting of 2 November 2020.

MAIN POSITIONS OUTSIDE THE COMPANY

None.

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Vice-Chair of the Supervisory Board, member of the Audit Committee and member of the Strategy Committee of Laurent Perrier (France)
- Vice-Chair of the Supervisory Board and Chair of the Remuneration Committee of M6 group (France)

Offices and positions held and expired over the past five years:

- Director of FNAC Darty (France)
- Director of SRP Groupe (France)
- Chair of Carrefour Omnical
- Chair of Digital Media Shopper
- Director of Market Pay
- Director of Carrefour Banque

Olivier Lecomte

MAIN POSITIONS IN THE COMPANY

Lead Independent Director
Chairman of the Audit Committee
Member of the Nomination and Compensation Committee

Seniority on the Board: 5.5 years

Date of birth: 7 August 1965
Nationality: French
Number of Company shares owned: 1,131
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Olivier Lecomte graduated from École Centrale Paris. He began his career as an investment banker in London and Paris, first with Société Générale and then Demachy, Worms & Cie. He went on to join the Unibail group where, from 1994 to 2002, he successively held the positions of Director of Development, Chairman of Espace Expansion then Deputy Chief Executive Officer of the group with responsibility for the Shopping Centres and Conventions and Exhibitions divisions. From 2010 to 2014, he chaired the Laboratoire Paris-Région Innovation (Paris Lab). He is also a director of Paris & Co., a Paris-based innovation and development agency. He is joint founder of a biotech start-up, Theravectys (a spin-off of the Pasteur Institute), director of SA Ingénieurs de l'École Centrale des Arts et Manufactures, member of the Supervisory Committee and the unit overseeing serious adverse reactions at the Robert-Debré Hospital, member of the Steering Committee of the integrated cancer research team (SIRIC) at Institut Gustave Roussy, and a member of the Steering Committee of the AP-HP/Institut Mines-Telecom "Bloc OPératoire Augmenté" (BOPA) innovation chair. Since 2003, he has also been a professor at École Centrale Paris.

Olivier Lecomte has been the Lead Independent Director of Carmila since his appointment on 12 June 2017.

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

Director and Chairman of the Audit and Risk Committee of Orpéa

Non-listed companies

- Chairman of MSOF Consulting SASU
- Director of the "Alba" endowment fund
- Professor at École Centrale de Paris (CentraleSupélec) (on sabbatical)
- Member of the Supervisory Committee and of the unit overseeing serious adverse reactions at the Robert-Debré Hospital
- Member of the Steering Committee of SIRIC, SOCRATE/Institut Gustave Roussy
- Member of the Steering Committee of the "Bloc OPératoire Augmenté" (BOPA) innovation chair, AP-HP/Institut Mines-Telecom

Offices and positions held and expired over the past five years:

- Director of Paris & Co., a Paris-based innovation and development agency
- Director of Carmila SAS
- Chairman of the Laboratoire Paris-Region Innovation (Paris Lab)
- Director of SA Ingénieurs de l'École Centrale des Arts et Manufactures

Yann Briand, representative of Sogecap

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee

Seniority on the Board: 5.5 years

Date of birth: 31 May 1974
Nationality: French
Number of Company shares owned: 8,224,492
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 18 May 2021
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Yann Briand holds a Master's degree in Urban Planning and Management (Paris IV) and a post-graduate degree in Corporate Real Estate (Paris I). Between 1999 and 2014, he held various positions at Arthur Andersen, General Electric, Catella and Société Générale in investments, expert advice and real estate consulting. Since 2014, he has been Real Estate Director at Sogecap in charge of investments and asset management.

MAIN POSITIONS OUTSIDE THE COMPANY

Real Estate Director at Sogecap

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held by Yann Briand at 31 December 2022:

Listed companies

- Permanent representative of Sogecap, director of Covivio Hotels (France)
- Permanent representative of Sogecap, director and member of the Nominations and Remuneration Committee and the Investment Committee of Frey (France)

Non-listed companies

- Permanent representative of Sogecap, director of BG 1 SA (Luxembourg)
- Permanent representative of Sogecap, Director of Powerhouse Habitat
- Permanent representative of Sogecap, Director of Icade Santé
- Permanent representative of Sogecap, Director of Icade Healthcare Europe
- Permanent representative of Sogecap, Director of PREIM Healthcare
- Chief Executive Officer of Sogecap Real Estate

Offices and positions held by Yann Briand and expired over the past five years:

- Permanent representative of Sogecap, Director of Carmila SAS
- Legal manager of SCI SGA Resiparis

Offices and positions held by Sogecap at 31 December 2022:

Listed companies

- Director of Selectirente

Non-listed companies

- Director of Sogelife (Luxembourg)
- Director of Marocaine Vie (Morocco)
- Director of SPPICAV Oteli
- Director of the Strategic Investment Fund (France)
- Director of SAS Orientex Holdings
- Director of PREIM Healthcare
- Director of Powerhouse Habitat
- Director of Icade Santé
- Director of Icade Healthcare Europe
- Director of UIB Assurance (Tunisia)
- Chairman of SGI Holdings SIS
- Legal manager of real estate investment companies Sogevimmo, Pierre Patrimoine, Sogepierre, SGI Immo 1, SGI Healthcare, SGI Immo 3, SGA Immo 5, SGA 45-56 Desmoulins, SGI 1-5 Astorg, SGI 10-16 Ville l'Évêque, SGI Caen, SGI Villette, SGI Visitation, SGI Kosmo, 89 Grande Armée, Massy 30 avenue Carnot and 83-85 Grande Armée

Offices and positions held by Sogecap and expired over the past five years:

- Director of Carmila SAS
- Director of Sogecap Liban (Lebanon)
- Legal manager of SCI Château Mazeyres Pomerol
- Director of Oradea Vie

Emmanuel Chabas, representative of Predica

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee

Seniority on the Board: 5.5 years

Date of birth:
8 December 1976
Nationality: French
Number of Company shares owned: 14,068,956
Date of appointment to the Board of Directors:
12 June 2017
Date of re-appointment:
Annual General Meeting of 18 May 2021
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Emmanuel Chabas holds a degree from ESSEC business school. He began his career in management control and internal audit at BNP Paribas in 2001, before joining BNP Paribas Cardif in 2006 as manager of real estate acquisitions. Since September 2015, he has been Head of Real Estate Investments at Crédit Agricole Assurances.

MAIN POSITIONS OUTSIDE THE COMPANY

Head of Real Estate Investments at Crédit Agricole Assurances

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held by Emmanuel Chabas in an individual capacity or as a permanent representative of Predica at 31 December 2022:

Listed companies

- Member of the Supervisory Board of Covivio Hotels (France)
- Non-voting director on the Supervisory Board of Argan (France)
- Member of the Board of Directors of ICADE (France)
- Member of the Supervisory Board of Patrimoine et Commerce (France)

Non-listed companies

- Member of the Supervisory Board and the Shareholders' Meeting of Covivio Immobilien (Germany)
- Member of the Board of Directors of Central
- Member of the Board of Directors of Camp Invest OPPCI
- Member of the Board of Directors of Iris Invest OPPCI
- Member of the Board of Directors of OPPCI B2 Hotel Invest
- Member of the Supervisory Board of SCPI Unipierre Assurance
- Legal manager of SCI IMEFA 1, SCI IMEFA 2, SCI IMEFA 3, SCI IMEFA 4, SCI IMEFA 5, SCI IMEFA 6, SCI IMEFA 8, SCI IMEFA 9, SCI IMEFA 10, SCI IMEFA 11, SCI IMEFA 12, SCI IMEFA 13, SCI IMEFA 16, SCI IMEFA 17, SCI IMEFA 18, SCI IMEFA 20, SCI IMEFA 22, SCI IMEFA 25, SCI IMEFA 32, SCI IMEFA 33, SCI IMEFA 34, SCI IMEFA 35, SCI IMEFA 36, SCI IMEFA 37, SCI IMEFA 38, SCI IMEFA 39, SCI IMEFA 42, SCI IMEFA 43, SCI IMEFA 44, SCI IMEFA 45, SCI IMEFA 47, SCI IMEFA 48, SCI IMEFA 49, SCI IMEFA 50, SCI IMEFA 51, SCI IMEFA 52, SCI IMEFA 53, SCI IMEFA 54, SCI IMEFA 57, SCI IMEFA 58, SCI IMEFA 60, SCI IMEFA 61, SCI IMEFA 62, SCI IMEFA 63, SCI IMEFA 64, SCI IMEFA 66, SCI IMEFA 67, SCI IMEFA 68, SCI IMEFA 69, SCI IMEFA 72, SCI IMEFA 73, SCI IMEFA 74, SCI IMEFA 76, SCI IMEFA 77, SCI IMEFA 78, SCI IMEFA 79, SCI IMEFA 80, SCI IMEFA 81, SCI IMEFA 82, SCI IMEFA 83, SCI IMEFA 84, SCI IMEFA 85, SCI IMEFA 89, SCI IMEFA 91, SCI IMEFA 92, SCI MEFA 96, SCI IMEFA 100, SCI IMEFA 101, SCI IMEFA 102, SCI IMEFA 103, SCI IMEFA 104, SCI IMEFA 105, SCI IMEFA 107, SCI IMEFA 108, SCI IMEFA 109, SCI IMEFA 110, SCI IMEFA 112, SCI IMEFA 113, SCI IMEFA 115, SCI IMEFA 116, SCI IMEFA 117, SCI IMEFA 118, SCI IMEFA 120, SCI IMEFA 121, SCI IMEFA 122, SCI IMEFA 123, SCI IMEFA 126, SCI IMEFA 128, SCI IMEFA 129, SCI IMEFA 131, SCI IMEFA 132, SCI IMEFA 140, SCI IMEFA 148, SCI IMEFA 149, SCI IMEFA 150, SCI IMEFA 155, SCI Lyon Tony Garnier, SCI Villeurbanne La Soie Ilot H, SCI IMEFA 158, SCI IMEFA 159, SCI IMEFA 161, SCI IMEFA 162, SCI IMEFA 163, SCI IMEFA 164, SCI IMEFA 165, SCI HDP Bureaux, SCI HDP Hotel, SCI HDP La Halle, SCI IMEFA 169, SCI IMEFA 170, SCI IMEFA 171, SCI IMEFA 172, SCI IMEFA 173, SCI IMEFA 174, SCI IMEFA 175, SCI IMEFA 176, SCI IMEFA 177, SCI IMEFA 178, SCI IMEFA 179, SCI IMEFA 180, SCI IMEFA 181, SCI IMEFA 182, SCI IMEFA 183, SCI IMEFA 184, SCI IMEFA 185, SCI IMEFA 186, SCI IMEFA 187, SCI IMEFA 188, SCI IMEFA 189, SCI IMEFA 190, SCI IMEFA 192, SCI IMEFA 193, SCI IMEFA 194, SCI IMEFA 195, SCI IMEFA 196, SCI SPIRICA BOISSEAU, SCI IMEFA 198, SCI IMEFA 199, SCI IMEFA 201, SCI IMEFA 202, SCI IMEFA 203, SCI IMEFA 204, SCI IMEFA 205, SCI IMEFA 206, SCI IMEFA 207, SCI IMEFA 208, SCI IMEFA 209, SCI IMEFA 210, SCI IMEFA 211, SCI IMEFA 212, SCI Dahlia, SCI Fédérale Pereire Victoire, SCI Federlog, SCI Feder Londres, SCI Fédérale Villiers, SCI Grenier Vellefaux, SCI Medibureaux, SCI Medic Habitation, SCI Vicq d'Azir Vellefaux, SCI Vicq Neuilly, SCI Federpierre, SCI Longchamp Montevideo, SCI Federpierre Michal, SCI Federpierre Caulaincourt, SCI Federpierre Université, SCI Federpierre Capucines, SCI 1-3 Place Valhubert, SCI Village Victor Hugo and SCI Porte des Lilas Frères Flaviens
- Chairman of Resico
- Chairman of the Board of Directors of Résidence Séniors
- Member of the Board of Directors of Iris Holding
- Chairman of the Partnership Committee of Iris Holding France
- Chairman of the Partnership Committee and member of the Board of Directors of SCI Holding Dahlia
- Chairman of SAS Holding Euromarseille
- Legal manager of SCI DS Campus
- Legal manager of SCI New Vélizy
- Legal manager of SCI 11 Place de l'Europe
- Legal manager of SCI Federimmo
- Member of the Board of Directors of Alta Blue
- Permanent representative of Predica to SAS Défense CB3
- Permanent representative of Predica to OPCI CAA Commerces 2
- Permanent representative of Predica on the Board of Directors of OPCI Predica Bureaux
- Chairman of SAS 59-61 Rue Lafayette
- Chairman of SAS Commerces 2
- Chairman of the Board of Directors of OPCI Predica Commerces
- Chairman of SAS Commerces 1

- Permanent representative of SCI IMEFA 34, Director of OPCI Predica Habitation
- Director and Chairman of the Board of Directors of OPCI Eco Campus
- Director and Chairman of the Board of Directors of OPCI Massy Bureaux
- Chairman of B Immobilier
- Chairman of SAS 81-91 Rue Falguière
- Director and Chairman of the Board of Directors of OPCI Messidor
- Member of the Strategy Committee of Heart of La Défense
- Legal manager of SCI AEV CA
- Legal manager of SCI AEV CA 2
- Representative of Predica and Spirica to SCI Académie Montrouge
- Member of the Advisory Board of OPCI Alta Commerce Europe
- Representative of Predica on the Advisory Committee of the Ardian Fund (Luxembourg)
- Permanent representative on the Supervisory Board of SAS Preim Healthcare
- Representative of Predica to SCI Frey Retail Villebon
- Member of the Oversight Committee of Icade Santé
- Director of OPCI Lapillus 1
- Director of SAS Cristal
- Member of the Real Estate Committee of FFA
- Member of the Board of Directors of Accord Invest Group
- Director of OPCI Icade Healthcare Europe
- Legal manager of L2A SA and L2B SA
- Co-manager of CAA stern Gmbh (Germany)

Offices and positions held and expired over the past five years:

- Chairman of SAS Francimmo Hotel
- Legal manager of SCI Montparnasse Cotentin
- Director of Siltel SA
- Legal manager of Lux Leudelange SARL
- Director of Météore Italy SRL (Italy)
- Director of Météore Alcala (Spain)
- Chairman and Chief Executive Officer of Foncière Hypersud

Séverine Farjon

MAIN POSITIONS IN THE COMPANY

Director
Chair of the Nomination and Compensation Committee
Chair of the CSR Committee

Seniority on the Board: 5.5 years

Date of birth: 9 February 1975
Nationality: French
Number of Company shares owned: 1,001
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 16 May 2019
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ended 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Séverine Farjon, a graduate of Institut d'Études Politiques de Paris and SFAF (Société Française d'Analyse Financière), began her career in the financial analysis sector at Fortis Securities before joining the Natixis group, where she participated in several capital transactions for listed real estate companies. From 2007 to 2009, she led Investor Relations at Orco. In 2011, she joined Cofitem-Cofimur, which became, in 2013, Foncière de Paris, where she handled financial transactions and shareholder relations. In January 2017, she was involved in the creation of Raise Reim, a management company specialising in the management of real estate collective investment undertakings, of which she is the CEO. She has also served as Chair of Carré d'As since 2016.

MAIN POSITIONS OUTSIDE THE COMPANY

Chief Executive Officer of Raise Reim

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Non-listed companies

- Representative of Raise Reim on the Board of Directors of ASPIM
- Chief Executive Officer of Raise Reim
- Chair of Carré d'As

Offices and positions held and expired over the past five years:

None.

Maria Garrido

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee
Member of the CSR Committee

 **Seniority on the Board:** 4 years

Date of birth: 24 May 1973
Nationality: Spanish
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 16 May 2018
Date of re-appointment: Annual General Meeting of 12 May 2022
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2025

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Marie Garrido is currently Chief Marketing Officer of Deezer, where she is responsible for communications, digital performance, public relations, marketing, and the creative studio of the global streaming platform.

Until 2021, she was Senior Vice President, Brand Marketing for Vivendi, where she fostered synergies between the group's business units and provided marketing and brand alliance support to all group companies.

Maria Garrido was also the Chief Insights Officer of the Havas group, supervising a team of over 300 people in some 40 countries working across content, innovation (incubators) and market surveys.

Before joining Havas in 2014, she spent 18 years in North America, Latin America and Europe, where she held operational and strategic marketing roles at various FMCG blue chips, most notably Colgate Palmolive Co and Mondelez.

Maria Garrido speaks at many media and client events, most recently at Cartagena Inspira, Mumbrella Australia, South Summit, CubeX Mumbai, the World Retail Congress and IBC 2018. She has also been a Media Jury member for Cristal Media Festival and Dubai Lynx, and President of the Entertainment Jury for Eurobest and the Cannes Lions Festival.

In addition to her role on the Carmila Board, she also serves as an Independent Director on other boards, including LiveOne Inc (Nasdaq), ESCP and, more recently, the International Women's Forum in France, where she chairs the Events and Programme Committee.

MAIN POSITIONS OUTSIDE THE COMPANY

Chief Marketing Officer of Deezer

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Chief Marketing Officer of Deezer
- Independent Director of LiveOne, Inc (Nasdaq)

Offices and positions held and expired over the past five years:

- Director of International Players from 2012 to 2015
- Member of the Supervisory Board of International de ESCP
- Member of the Supervisory Board of non-profit Women for Women France
- Senior Vice President, Brand Marketing at the Vivendi group
- Chief Insights Officer at the Havas group

Laurent Luccioni

MAIN POSITIONS IN THE COMPANY

Director
Member of the Nomination and Compensation Committee

Seniority on the Board: 5.5 years

Date of birth: 31 July 1971
Nationality: French
Number of Company shares owned: 1,089
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Laurent Luccioni holds an MBA from the Kellogg School of Management, Northwestern University and a PhD in civil and environmental engineering from the University of California Berkeley. He has 20 years of experience in investing and financial services, and is a consultant for Strategic Value Partners. Before 2020, he was Managing Director and portfolio manager at the Pimco office in London, where he led the European commercial real estate team. Before joining Pimco in 2013, he was the European Chairman and Chief Executive Officer of MGPA, the private equity real estate investment advisory arm of Macquarie. In addition, he has worked with Cherokee Investment Partners.

MAIN POSITIONS OUTSIDE THE COMPANY

Senior Consultant for Strategic Value Partners

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Director of Lar España Real Estate Socimi SA (listed company, Spain)

Non-listed companies

- Senior Consultant for Strategic Value Partners
- Independent Director on the WCP3 Investment Committee

Offices and positions held and expired over the past five years:

- Director of Carmila SAS
- Managing Director of Pimco Europe Ltd
- Senior Consultant for Pimco Europe Ltd

Nadra Moussalem

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee

Seniority on the Board: 5.5 years

Date of birth: 4 July 1976
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 12 June 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Nadra Moussalem is a graduate of École Centrale de Lyon with a Master's degree in Information and Information Technology. Nadra Moussalem has been the Chairman and Chief Executive Officer of Colony Investment Management since 2021. Between 2013 and 2021, he was Chief Executive Officer Europe of Colony Capital, Inc.

MAIN POSITIONS OUTSIDE THE COMPANY

Chairman and Chief Executive Officer of Colony Investment Management

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

None.

Non-listed companies

- Chairman of Colony Investment Management SAS
- Chairman of Colony Capital Acquisition SAS
- Director of Colony IM UK Ltd
- Chairman of Colony Capital SAS
- Chairman of Colony Capital Acquisitions
- Chairman of the Board of Directors of AccorInvest Group SA
- Representative of Colony Capital SAS, itself Chairman of EarlyBird SAS
- Chief Executive Officer of ColSpa SAS and representative of Colony Capital SAS, itself Chairman of ColSpa SAS
- Legal manager at ColNozay EURL
- Legal manager at Colnozay SCI
- Representative of Colony Capital SAS on the Executive Management Board of ColAubergenville SCI
- Representative of Colony Capital SAS, itself Chairman of CFI NNN France Portfolio SAS
- Representative of Colony Capital SAS to the Chairman of Colbravo SAS
- Representative of Colony Capital SAS, itself Chairman of ColMdB SAS
- Representative of Colony Capital SAS, itself legal manager of ColPower SCI
- Representative of Colony Capital SAS, itself Chairman of ColPowerSister SAS
- Representative of Colony Capital SAS, itself Chairman of ColPowerSister Holding SAS
- Permanent representative of Colony Capital SAS, itself Chairman of ColPowerMother SAS
- Permanent representative of Colony Capital SAS, itself Chairman of Colcontinental SAS
- Chairman of Continental Property Investments SAS
- Legal manager of Financière et Foncière Alma Messine
- Legal manager of Reoc Issy
- Legal manager of Adductor CPI Arenas
- Legal manager of Adductor International SARL
- Chairman of Property Holding
- Legal manager of Marbeau CPI
- Legal manager of Villa 5 CPI
- Legal manager of W9/Saint Quentin
- Legal manager of Sesame Investissements
- Legal manager of Lint SNC
- Legal manager of Lafayette 06
- Legal manager of Herblay CPI
- Chairman of Continental Property Investments SAS, itself legal manager of:
  - SCI 18 rue Marbeau
  - SCI Aulnay
  - Aix CPI
  - Société Civile Immobilière Colombus CPI
  - Godard CPI
  - Illkirch CPI
  - Investimmo CPI
  - Malakoff Investissements
  - Osiris Invest
  - Pantin CPI
  - Plaine Tersud
  - Provence CPI
  - Space CPI
  - Société Civile Immobilière Spok CPI
  - Terra Veda CPI
  - Victoria CPI
  - Victoria CPI 2
  - Villepinte CPI
- Chairman of Col Invest Italy Srl (Italy)
- Permanent representative of Colony Capital SAS, Italian subsidiary
- Colsun Histo France SAS, Chairman
- Colsun Gestion SAS, Chairman
- Colsun HDR 1 France SAS, Chairman
- Colsun HDR 2 France SAS, Chairman
- OpCo Bourg Lès Valence
- OpCo Chamonix
- OpCo Claude Bernard Saint Germain
- OpCo Le Boucher Aubagnais

- OpCo Le Grand Aigle
- OpCo Marmotel
- OpCo Mas des Herbes Blanche (MHB)
- OpCo Montchalet Tignes
- OpCo Jules César (formerly OpCo Montmartre Mon Amour)
- OpCo Orange
- OpCo Pic Blanc
- OpCo Astor Saint-Honoré
- OpCo Saint Charles
- OpCo Savoies
- OpCo Mougins, formerly OpCo Alpenrose
- Representative of Colsun Histo France on the Executive Management Board of the following companies:
  - Colsun Petite Isle
  - Colsun Aubagne Gemenos
  - Colsun le Paradou
  - Colsun le Claret Bercy
  - Colsun Saint Charles
  - Colsun Pic Blanc
  - Colsun Chamonix
  - Colsun Le Grand Aigle
  - Colsun Marmotel
  - Colsun Savoies
  - Colsun Claude Bernard Saint Germain
  - Colsun Dolce Fregate
  - Colsun Julius Caesar
  - Colsun Mougins
  - Colsun Nation
  - Colsun Mas des Herbes Blanches
  - Colsun Orange
  - Colsun Astor Saint-Honore

Offices and positions held and expired over the past five years:

- Permanent representative of Colony Capital SAS to the Chairman of Colkart Investment Europe
- Chairman of Data IV Services – Held within Data 4 group companies as corporate representative
- Chairman of Data IV France – held within Data 4 Group companies as corporate representative
- Chairman of DC 115 SAS
- Chairman of Holding Sports & Évènements
- Chairman of Collilkirch France
- Representative of Colony Capital SAS, itself Chairman of ColFields SAS
- Manager of Foncière Phoenix Mac Donald
- Legal manager of Champs CPI
- Chairman of Colfilm SAS
- Legal manager at ColEvreux SCI
- 123 Colaigle (formerly OpCo Aigle des Neiges)
- OpCo Aubagne Gemenos
- OpCo Petite Isle
- OpCo Hôtel Gap
- OpCo Le Mas de l'Étoile
- OpCo Hôtel Champigny sur Marne
- Hôtel Le Paradou
- OpCo Le Boucher Gapençais
- OpCo Royal Ours Blanc
- Legal manager at Colnîmes SARL
- Executive of Colyzeo Investment Management (UK)
- Executive of Colyzeo Investment Advisors Limited (UK)
- Legal manager of Adductor France SARL
- Legal manager of Add Holding
- Legal manager of Binet SNC
- Legal manager of Colin SNC
- Legal manager of Hayet SNC
- Legal manager of IDF Industries SARL
- Legal manager of IDF Industries SNC
- Legal manager of Latoison Duval SNC
- Legal manager of Pythagore Invest
- Legal manager of Rivesaltes Roissy SNC
- Legal manager of Villeneuve Sénart SNC
- Legal manager of IDF Industries Marne SNC
- Representative of Colony Capital SAS, itself Chairman of Colquattro French Portfolio SAS
- Representative of Colony Capital SAS on the Executive Management Board of ColEden SCI
- Sole director of Global Confector SLU (Spain)
- Sole director of Colprincesa Management SL (Spain)
- Sole director of CPI Developments Spain 2009 SLU (Spain)
- OpCo Moulin de Vernègues

Jérôme Nanty

MAIN POSITIONS IN THE COMPANY

Director
Member of the Nomination and Compensation Committee
Member of the Strategy and Investment Committee

Seniority on the Board: 4 years

Date of birth: 20 April 1961
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 3 April 2019
Date of re-appointment: Annual General Meeting of 16 May 2019
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ended 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Jérôme Nanty is a graduate of Institut d'Études Politiques de Paris and has a Master's degree in public law. He began his career in 1986 at Société Générale, before joining the Capital Markets Department at Crédit Lyonnais in 1989, first as a bond market operator and subsequently as a portfolio manager for bond issuers. In 1998, he joined the bank's Human Resources Department as manager of employment policy and later labour relations. From 2001 to 2004, he served as Director of Labour Relations at the Crédit Lyonnais group. From 2003 onwards, he held the same position at the Crédit Agricole group and was consequently in charge of the labour aspects of the merger of Crédit Lyonnais and Crédit Agricole. He was appointed Director of Human Resources at LCL in 2005 and at the Caisse des Dépôts group in 2008. From 2013 to 2016, he was General Secretary of the Transdev group. In July 2016, he joined the Air France-KLM group as General Secretary and Director of Human Resources. Jérôme joined the Carrefour group on 2 October 2017 as Executive Director, Human Resources for the group and France. In 2019, he also became head of the Assets Department for the group and France. Jérôme brings to Carmila's Board of Directors his expertise in human resources and his knowledge of the Carrefour group's social policy.

MAIN POSITIONS OUTSIDE THE COMPANY

Executive Director, Human Resources and Assets for the Carrefour group and Carrefour France

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Director and member of the Strategic and Transformational Project Committee; the Talents, Culture and Integration Committee; and the Strategy Committee of Atacadão (Brazil)

Non-listed companies

- Member of the Supervisory Board of RATP DeV (France)
- Vice-Chairman of the Board of Directors of APGIS (France)
- Chairman of the Board of Directors of Carrefour Property Italia (Italy)
- Chairman of the Board of Directors of Carrefour Property Spain
- Chairman of CRFP 8 (France)

Offices and positions held and expired over the past five years:

None.

Claire Noël du Payrat

MAIN POSITIONS IN THE COMPANY

Director
Member of the Audit Committee

Seniority on the Board: 4 years

Date of birth: 31 October 1968
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 24 October 2018
Date of re-appointment: Annual General Meeting of 16 May 2019
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ended 31 December 2022

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Claire Noël du Payrat is a graduate of HEC business school. She began her career in 1993 as an internal auditor at the Savencia group, before joining the Nestlé group in 1996 as product management controller and then Administrative and Financial Manager. From 2006 to 2008, she held the position of Management and Financial Control Director at Sagem Mobiles. She went on to join Veolia Environmental Services then Veolia Environnement, where she became Finance Director of Environmental Services then Director of Group Management Control. Her term as a director of Veolia Australia ended in April 2018. Since 2018, she has headed up the Carrefour group's Financial Control Department.

MAIN POSITIONS OUTSIDE THE COMPANY

Head of Financial Control at the Carrefour group

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Head of Financial Control at the Carrefour group (France)
- Director and member of the Statutory Audit Committee of Atacadão (Brazil)

Offices and positions held and expired over the past five years:

- Director of Veolia Australia
- Chair of the non-profit organisation "Vivons solidaire"

Élodie Perthuisot

MAIN POSITIONS IN THE COMPANY

Director

Seniority on the Board: 1.6 years

Date of birth: 14 June 1976
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 18 May 2021
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Élodie Perthuisot is a graduate of École Polytechnique and IEP Paris, and has an Executive MBA from ESCP. Having begun her career in the French civil service, where she held positions in several ministerial offices and public cultural agencies,

she joined the Fnac group in 2012 to head up its subsidiary France Billet. In 2013, she was appointed Sales Director of Fnac, a position she retained following the merger with Darty in 2016.

Élodie Perthuisot joined the Carrefour group as Chief Marketing Officer for France in 2018,

before being appointed Executive E-Commerce and Marketing Director at Carrefour France in 2020.

In March 2021, she was also appointed Group Executive Director E-commerce, Data and Digital Transformation.

MAIN POSITIONS OUTSIDE THE COMPANY

Executive Director E-commerce, Data and Digital Transformation of the Carrefour group

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Director and member of the Strategic and Transformational Projects Committee of Atacadão SA (Brazil)

Non-listed companies

- Director and member of the Audit Committee of Carrefour Banque (France)
- Chair of Carrefour Régie Publicitaire (France)
- Legal manager of Carrefour Drive (France)
- Chair of Carrefour Omnicanal (France)
- Chair of Bringo International (France)
- Independent Director of Elsan, and Chair of the CSR and New Business Committees

Offices and positions held and expired over the past five years:

- Chair of Carrefour Services Clients (France)
- Director of Meilleurtaux (France)
- Chair of Fnac Darty Asia

Nathalie Robin, representative of Cardif Assurance Vie

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee
Member of the CSR Committee

Seniority on the Board: 5.5 years

Date of birth:
19 November 1962

Nationality: French

Number of Company shares owned: 12,944,249

Date of appointment to the Board of Directors:
12 June 2017

Date of re-appointment:
Annual General Meeting of 18 May 2021

Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2024

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Nathalie Robin holds a Master's in Advanced Studies in Real Estate Law (Paris II). From 1989 to 2001, she was Real Estate Director at Natio Vie (BNP group). Since 2001, she has been Real Estate Director of BNP Paribas Cardif.

MAIN POSITIONS OUTSIDE THE COMPANY

Real Estate Director at BNP Paribas Cardif

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- Member of the Supervisory Board and Chair of the Audit Committee of Covivio Hotels (France)
- Director, Chair of the Investment Board and member of the Audit Committee of Frey (France)

Non-listed companies

- Real Estate Director at BNP Paribas Cardif
- Member of the Supervisory Board of Covivio Immobilien
- Member of the Supervisory Board of BNP Paribas Reim France
- Member of the Supervisory Board of Opéra Rendement
- Member of the Supervisory Board of Dauchez
- Director of AEW Immocommercial
- Member of the Supervisory Board of CFH
- Member of the Supervisory Board of Placement Ciloger 3
- Member of the Supervisory Board of FLI
- Director of BNP Paribas Diversipierre
- Member of the Supervisory Committee of Preim Healthcare
- Member of the Supervisory Board of Accès Valeur Pierre
- Member of the Supervisory Committee of Hémisphère Holding
- Member of the Supervisory Committee of PWH
- Director of Powerhouse Habitat
- Member of the Supervisory Committee of Certivia 2
- Director of Icade Healthcare Europe
- Member of the Supervisory Board of SCI Korian & Partenaires Immobilier 1
- Member of the Supervisory Board of SAS Korian & Partenaires Immobilier 2

Offices and positions held and expired over the past five years:

- Member of the Oversight Committee of Icade Santé
- Member of the Supervisory Committee of Plein Air Property Fund
- Member of the Investment Committee of Covivio Hotels (formerly Foncière des Murs) (France)
- Member of the Strategy Committee of Foncière des Murs Management
- Non-voting director of BNP Paribas REPM France
- Member of the Supervisory Board of France Investipierre
- Member of the Supervisory Committee of Plein Air Property Fund

Laurent Vallée

MAIN POSITIONS IN THE COMPANY

Director
Member of the Strategy and Investment Committee
Member of the Nomination and Compensation Committee
Member of the CSR Committee

Seniority on the Board: 5 years

Date of birth: 28 February 1971
Nationality: French
Number of Company shares owned: 1,000
Date of appointment to the Board of Directors: 4 September 2017
Date of re-appointment: Annual General Meeting of 29 June 2020
Date of expiry of term of office: Annual General Meeting called to approve the financial statements for the year ending 31 December 2023

MAIN AREAS OF EXPERTISE AND EXPERIENCE

Laurent Vallée is a graduate of ESSEC business school, Institut d'Études Politiques de Paris and École Nationale de l'Administration (ENA).

He began his career at the Conseil d'État, France's administrative Supreme Court, where he served in particular as Government Commissioner and Constitutional Advisor to the Government's Secretary General. From 2008 to 2010, he worked for Clifford Chance as a lawyer before being appointed Director of Civil Affairs at the Ministry of Justice in April 2010. He then served as General Secretary of the Canal+ group from 2013 to 2015. Since March 2015, he has been Secretary General of the Conseil Constitutionnel, France's constitutional council.

On 30 August 2017, Laurent Vallée joined the Carrefour group as General Secretary. He was also responsible for CPI (Carrefour Partenariats International).

On 4 July 2022, he was appointed Chief Executive Officer, Northern Europe.

MAIN POSITIONS OUTSIDE THE COMPANY

General Secretary of Carrefour and Chief Executive Officer, Northern Europe

MAIN OFFICES AND POSITIONS OUTSIDE THE COMPANY OVER THE LAST FIVE YEARS

Offices and positions held at 31 December 2022:

Listed companies

- General Secretary and Executive Director, Northern Europe of Carrefour (France)
- Director and member of the Talents, Culture and Integration Committee of Atacadão SA (Brazil)

Non-listed companies

- Director of Carrefour SA Carrefour Sabanci ticaret merkezi a.ş (Turkey)
- Director of the Carrefour Corporate Foundation (France)
- Director of Carrefour China Foundation for Food Safety (HK)
- Permanent representative of Carrefour on the Board of Directors of the "Un Avenir Ensemble" foundation (France)

Offices and positions held and expired over the past five years:

- Permanent representative of Société d'Exploitation Amidis & Cie
- Director of SA Mestdagh (Belgium)
- Delegate General of the Carrefour Corporate Foundation

5.1.3 Operating procedures of the Board of Directors and its Committees

5.1.3.1 Ethics rules for Directors

Stock market ethics and insider trading

At its meeting of 2 April 2020, the Board of Directors adopted a Stock Market Ethics Code to ensure compliance with European Regulation 596/2014 on Market Abuse, which entered into force on 3 July 2016 and introduced measures applicable to listed companies and their corporate officers in respect of holding inside information.

As members of the Company's Board of Directors or any of its Committees, or owing to their position within any of the Company's corporate shareholders, Directors must keep strictly confidential any sensitive and confidential information as well as any information qualified as inside information under the Regulation. They are also required to refrain from performing or attempting to perform any transactions in Company shares during "closed periods", particularly those defined each year in relation to the dates on which annual, half-yearly and quarterly financial reports are published.

Conflicts of interest and statements made by corporate officers

In accordance with the Company's Rules of Procedure, a conflict of interests exists when a Director or member of his or her family could derive personal benefit from the Company's dealings, or could have a relationship or connection of any kind with the Company, its Subsidiaries or its Management which might compromise his or her ability to exercise his or her judgement as a Director freely. When assessing whether or not a conflict of interest exists, the personal and financial interests of the permanent representative of a legal entity that is a Director or a physical person who is a Director representing a legal entity are also taken into account, in relation to those of the Company.

To the best of the Company's knowledge, and except for those relationships described in section 3.1.5.3 "Principal agreements with Carrefour group entities" of this document, at the date of this Universal Registration Document, none of the Directors are subject to any potential conflicts of interest between their duties in respect of the Company, the members of the Board of Directors and the Company's Executive Management and their private interests. Under the Rules of Procedure, Directors must inform the Board of Directors, and in particular the Lead Independent Director, of any conflict of interest with the Company or its Subsidiaries, and must abstain from voting on any corresponding deliberations.

To the best of the Company's knowledge, there are no shareholders' agreements by which any member of the Board of Directors or Executive Management has been appointed as a member of the Board of Directors or Executive Management.

At the date of the Universal Registration Document, none of the members of the Board of Directors or Executive Management have agreed to any restrictions concerning the sale of their interest in the Company's share capital, with the exception of the rules relating to the prevention of insider trading and the Company's Rules of Procedure which require corporate officers to hold shares until the end of their term of office.

To the best of the Company's knowledge, at the date of this Universal Registration Document, there are no family ties between the members of the Board of Directors and the members of the Company's Executive Management.

To the best of the Company's knowledge, during the last five years: (i) none of the aforementioned persons have been convicted or found liable of fraud, (ii) none of the aforementioned persons have been associated with bankruptcy, receivership or court-ordered liquidation, (iii) none of the aforementioned persons have been found guilty of a criminal offence or been subject to an official public sanction by statutory or regulatory authorities or by a professional association and (iv) none of the aforementioned persons has been barred by a court from acting as a member of an administrative, management or supervisory body of a company issuing securities or from participating in the management or conduct of the business of a company issuing securities.

5.1.3.2 Practices and main work of the Board of Directors

Conditions for the preparation and organisation of the Board's work

The practices of the Company's governance bodies are governed by the relevant legal provisions, the Company's By-Laws and the Board of Directors' Rules of Procedure. In particular, the Rules of Procedure set out the procedures for holding Board of Directors' meetings, specify the powers of the Board of Directors beyond those provided for by law or the Company's By-Laws and, additionally, cover the creation, roles and responsibilities of the various Committees of the Board of Directors.

The description below reflects the main provisions of the Rules of Procedure, as amended by the Board of Directors at its meeting of 26 November 2020.

(1) Meetings of the Board of Directors by video-conference or other means of telecommunication, and written consultations

With the exception of meetings called to take decisions where such methods are prohibited under the French Commercial Code, Board meetings may be held by video-conference and/or by conference call. However, the selected method must enable the identification of the participating Directors and must ensure their effective participation in the meeting. At a minimum, the method selected must permit the transmission of the participants' voices and meet technical standards allowing for the continuous, real-time transmission of the discussions between the participants. Each participant must be able to take part and hear what is said.

Directors participating in Board meetings by video-conference or by conference call are deemed present for the purposes of calculating the quorum and any required majority.

The Board of Directors' Rules of Procedure were amended at its meeting of 2 April 2020, in order to bring them into compliance with French law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law), and enable the decisions provided for in Article L. 225-37 of the French Commercial Code to be taken by a written consultation of the Directors.

(2) Duties of the Board of Directors

The Board exercises the powers vested in the governance body by the law. It approves the Company's business strategy and oversees its implementation. It examines and makes decisions in respect of major transactions. The members of the Board of Directors are kept informed of changes in the markets, the competitive environment and the key issues facing the Company, including with regard to corporate social responsibility. Subject to the powers directly vested in Shareholders' Meetings, the Board of Directors is responsible for dealing with all matters relating to the proper management of the Company and for making all related decisions, within the scope of the Company's corporate purpose. The Board performs any checks and controls that it deems appropriate.

The Board sets any limitations on the powers of the Chair and Chief Executive Officer and those of the Deputy Chief Executive Officers.

Communication with shareholders and the markets

The Chair of the Board of Directors is responsible for managing shareholder relations with the Board of Directors, particularly with regard to corporate governance.

Role and powers of the Lead Independent Director

Olivier Lecomte was appointed by the Board of Directors as Lead Independent Director on 12 June 2017.

The Lead Independent Director is responsible for the smooth operation of the Board and its Committees. In this respect, he:

- notifies the Board of any conflicts of interest, which he has identified or which have been reported to him, involving the executive corporate officers and other members of the Board. In particular, he examines any conflict-of-interest situations that may involve the Directors or the Chair of the Board of Directors with regard to the corporate purpose, whether in relation to operational projects, strategic management or specific agreements;
- liaises between the Independent Directors, the other Directors and Executive Management;
- ensures that the Directors are given comprehensive background information before Board meetings;
- ensures that the Board of Directors' Rules of Procedure are observed and that the Company complies with best practices and industry standards in governance matters;
- ensures that the Board of Directors' decisions are implemented;
- takes part in the Board of Directors' self-assessment process;
- takes part in dialogue with the shareholders;
- deputises for the Chair of the Board whenever necessary.

In performing these duties, the Lead Independent Director has the power to:

- consult with the Chair of the Board on the schedule and agenda for Board meetings and add additional items to the agenda drawn up by the Chair;
- organise meetings of the non-executive Directors and Independent Directors (executive sessions) and chair the discussions during these sessions;
- attend all Committee meetings and have access to the Committees' work;
- organise regular meetings with the Company's operating or functional executives, at his request, and after notifying the Chair and Chief Executive Officer.

In 2022, the Lead Independent Director:

- was the key contact point for Independent Directors due to his participations in meetings of the Board, the Audit Committee and the Nomination and Compensation Committee, and met on an individual basis with the Directors where necessary and whenever they requested it;
- ensured that there was no conflict of interest;
- attended the meetings of the Strategy and Investment Committee and the CSR Committee during the year;
- initiated the organisation of two executive sessions which were attended by all Board Directors with the exception of Chair and Chief Executive Officer;
- also took steps to assist the Chair in ensuring the proper functioning of the Company's supervisory bodies, particularly in ensuring that the Directors were given comprehensive background information before Board meetings, in setting the 2023 schedule for Board and Committee meetings, and in reviewing the Board's agendas and minutes prior to their submission to the Board for approval.

Main activities of the Board of Directors in 2022

The Board of Directors met eight times in 2022. The attendance rate of the Directors was 90.38%.

8
Meetings

90.38%
Attendance rate

Having considered the summaries prepared by the Audit, Nomination and Compensation, Strategy and Investment and CSR Committees on their work, the Board of Directors mainly focused its work on the following areas:

Financial management

The Board of Directors was kept informed of the Audit Committee's work throughout the year. Having considered the reports of the Chairman of the Audit Committee and the Statutory Auditors:

- the Board of Directors approved the annual and half-yearly statutory and consolidated financial statements and the related reports and draft press releases;
- performed the annual review of related-party agreements;
- decided to recommend the re-appointment of KPMG & Associés as Statutory Auditors;
- decided to set up share buyback programmes for a maximum amount of €20 million, then €10 million, with a view to cancelling the shares bought back;
- implemented the new share buyback programme authorised by the Annual General Meeting of 12 May 2022;
- renewed the annual authorisations granted to the Chair and Chief Executive Officer with regard to bond issues and guarantees;
- reviewed the Group's funding policy and notably decided to cancel the commitments available under an existing term loan agreement and revolving credit facilities agreement, and to enter into a new term loan agreement based on sustainability criteria;
- reviewed the Group's risk map;
- approved the Company's 2023 budget.

Governance and compensation of corporate officers

On the recommendation of the Nomination and Compensation Committee, the Board reviewed the following matters during 2022:

- governance of the Company:
  - approval of the Corporate Governance Report;
  - determination of the desired balance of the membership of the Board of Directors and its Committees, particularly in terms of diversity (gender balance, nationality, age, qualifications, professional experience, etc.);
  - annual review of Directors' independence;
  - assessment of the Board of Directors and its Committees;
  - succession plans for corporate officers and key senior executives;
  - re-appointment of Maria Garrido as Director;
  - convening of the Annual General Meeting for 12 May 2022;
  - reviewing the Board of Directors' membership;
- compensation:
  - the components of compensation payable for 2021 to Marie Cheval, Chair and Chief Executive Officer, and to Sébastien Vanhoove, Deputy Chief Executive Officer;
  - 2022 compensation policy applicable to Marie Cheval, Chair and Chief Executive Officer and to Sébastien Vanhoove, Deputy Chief Executive Officer;
  - 2021 compensation to be paid to the members of the Board of Directors and their 2022 compensation policy;
  - creation of a new long-term incentive plan comprising free share allocations for the corporate officers and key employees of the Company;
  - acknowledging performance and service conditions of the free preference share plan of 16 May 2019, and the conversion of preference shares into ordinary shares, thus reducing the Company's share capital.

Annual General Meeting of 12 May 2022

The Board of Directors approved the notice of meeting, the agenda, the draft resolutions and the Board of Directors' report to the Annual General Meeting; it set the dividend distribution policy, approved the related-party agreements and commitments concluded during the year and conducted the annual review of the related-party agreements that remained in force during the year. In accordance with the French Sapin II Law and the recommendations of the AFEP-MEDEF Code, it asked the shareholders at the Annual General Meeting to approve:

- the corporate officers' compensation, as required under paragraph I of Article L. 22-10-9 of the French Commercial Code;
- the components of compensation due or granted in respect of 2021 to Marie Cheval, Chair and Chief Executive Officer, for the period since her appointment, as well as Sébastien Vanhoove, Deputy Chief Executive Officer;
- the 2022 compensation policy applicable to the Chair and Chief Executive Officer, the Deputy Chief Executive Officer and the Directors.

Strategy and growth

On the recommendation of the Strategy and Investment Committee, the Board reviewed the following matters during 2022:

- the Company's acquisition, extension and asset disposal projects;
- mixed-use projects; and
- the review of the Company's assets and the analysis of the 2023-2026 strategic plan.

CSR

On the recommendation of the CSR Committee, the Board reviewed the following matters during 2022:

- the update of the Company's 2022 CSR strategy and its proposed implementation;
- the presentation of Carmila's carbon and energy efficiency roadmap; and
- the review of achievements in 2022 and setting of new targets.

Frequency of Board of Directors' meetings and attendance in 2022

The table below shows the individual attendance rate for each Director at meetings of the Board and its Committees:

Director	Attendance at Board of Directors' meetings	Attendance at Audit Committee meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Strategy and Investment Committee meetings	Attendance at CSR Committee meetings
Marie Cheval Chair and Chief Executive Officer	100%	-	-	-	100%
Olivier Lecomte Lead Independent Director	100%	100%	100%	-	-
Sogecap (rep. by Yann Briand)	100%	100%	-	-	-
Predica (rep. by Emmanuel Chabas)	75%	-	-	100%	-
Séverine Farjon	87.50%	-	100%	-	100%
Maria Garrido	100%	100%	-	-	100%
Laurent Luccioni	100%	-	100%	-	-
Nadra Moussalem	100%	-	-	100%	-
Jérôme Nanty	87.50%	-	50%	100%	-
Claire Noël Du Payrat	100%	100%	-	-	-
Élodie Perthuisot	50%	-	-	-	-
Cardif Assurance Vie (rep. by Nathalie Robin)	87.50%	-	-	100%	100%
Laurent Vallée	75%	-	100%	75%	100%
Average	**89.42%**	**100%**	**90%**	**95%**	**100%**

Assessment of the Board of Directors

In accordance with its Rules of Procedure, the Board of Directors regularly reviews its membership, organisation and operating procedures. In particular, it evaluates the balance and diversity of its membership and that of its Committees, and periodically considers whether its structure and operating procedures are adequate with regard to its responsibilities.

To that end, once a year the Board of Directors devotes time on its agenda to a discussion on its operating procedures.

In 2022, the Nomination and Compensation Committee oversaw the self-assessment of the Board of Directors, before presenting the results to the Board at its meeting of 15 March 2023.

In general, the performance and functioning of the Board and the Committees is deemed very satisfactory by their members. The Directors believe that the Board accomplishes its duties with independence and with due regard to its responsibility, and that the implementation of strategic decisions is appropriately monitored.

They acknowledge that the Board members have diverse profiles and have an appropriate level of competence, allowing for meaningful debates with Executive Management. The Directors also consider that the Lead Independent Director role has made a very positive contribution to the overall improvement of the Board's operation, especially as regards facilitating exchanges between Board members.

Areas for improvement identified to strengthen Directors' knowledge of the Company's business include (i) organising more regular off-site Board seminars, (ii) increasing the frequency of meetings between the Board of Directors and Executive Management in France and in the other countries, and (iii) debating marketing and digital matters more fully at Strategy and Investment Committee meetings. This feedback will be taken into account in 2023.

5.1.3.3 Board of Directors' Committees

The Board of Directors of the Company has four specialised Committees: the Audit Committee, the Nomination and Compensation Committee, the Strategy and Investment Committee and the CSR Committee.

The Committees exclusively comprise Directors appointed by the Board of Directors for their whole term of office. Each Committee is chaired by one of its Independent Directors.

The Committees regularly report on their work to the Board of Directors and share their observations, opinions, proposals and recommendations.

Audit Committee

Membership

At 31 December 2022, the Audit Committee comprised four members chosen from among the Directors, at least three of whom are Independent Directors, and appointed on the recommendation of the Nomination and Compensation Committee by the Board for the duration of their term of office. No executive corporate officers sit on the Audit Committee.

The Chairman of the Audit Committee is appointed by the Board, on the recommendation of the Nomination and Compensation Committee, taking his or her specific expertise into consideration. The appointment must be subject to a specific review by the Board.

The Company's Audit Committee comprises the following members:

- Olivier Lecomte, Lead Independent Director (Committee Chairman);
- Yann Briand, Independent Director, permanent representative of Sogecap;
- Maria Garrido, Independent Director; and
- Claire Noël du Payrat, Director.

Duties

As part of its role in overseeing matters relating to the preparation and control of financial and accounting information and monitoring the effectiveness of risk management and operational internal control, the Audit Committee is responsible for:

- reviewing the accounting methods and asset valuation procedures used by the Company and its Subsidiaries, and monitoring the preparation of financial information by ensuring the relevance and consistency of the accounting methods;
- reviewing the Company's draft statutory and consolidated financial statements before their presentation to the Board;
- leading the selection process for the Company's Statutory Auditors in accordance with the applicable legal and regulatory provisions, and submitting its proposal or opinion to the Board;
- implementing a pre-approval and monitoring process for non-audit engagements by the Statutory Auditors, as well as the rules for delegating authority to the Company's Management, and ensuring that the provision of such non-audit services does not compromise their independence;
- reviewing the related-party agreements referred to in Article L. 225-38 of the French Commercial Code, with the exception of those previously reviewed by the Strategy and Investment Committee in accordance with the Rules of Procedure;
- issuing an opinion on:
  - the creation or substantial modification of the general framework and financing conditions for services relating to lease management, asset management, shopping centre management, marketing or Specialty Leasing of real estate assets held by the Company and its Subsidiaries in cases where such services are part of an agreement with a Reference Shareholder and/or any Affiliate of such Reference Shareholder and the early termination or renewal of such agreements. It should be noted that the conclusion or amendment of such agreements need not be submitted to the Board, provided that they comply with the general framework and financing conditions approved by the Board. The Directors representing the Reference Shareholder do not vote on these decisions, and
  - the conclusion, substantial modification, early termination or renewal of agreements between (a) the Company and/or one of its Subsidiaries and (b) a Reference Shareholder and/or any Affiliate of such Reference Shareholder, specifically: (i) any agreement relating to the provision of administrative or accounting services for an amount exceeding an amount specified in the Rules of Procedure, (ii) any agreement relating to the grant of loans, advances, guarantees, pledges, undertakings, security interests or liens in favour of a Reference Shareholder and/or any Affiliate of such Reference Shareholder and (iii) any other agreement for a total amount exceeding an amount specified in the Rules of Procedure, other than agreements concluded or transactions carried out pursuant to the Renovation and Development Agreement dated 16 April 2014 with Carrefour, and agreements entered into in the normal course of business. The Directors representing the Reference Shareholder (other than the Chair, except when the agreement in question relates to the exercise of his or her duties or his or her compensation) do not vote on these decisions;
- monitoring the management and verification of the clarity of the information provided to shareholders and the markets;
- monitoring the effectiveness of internal control systems, internal audits and risk management in respect of the preparation and processing of financial and accounting information;
- examining risks, risk levels and risk prevention procedures, as well as material off-balance sheet commitments, and assessing the significance of any deficiencies or failings indicated to the Committee and informing the Board thereof; and
- regularly reviewing the status of significant disputes.

When reviewing the financial statements, the Audit Committee also examines significant transactions which may have presented a potential conflict of interest. The examination of the financial statements by the Audit Committee takes place alongside the presentation by the Company's Statutory Auditors of the main audit findings (in particular, audit adjustments and significant internal control deficiencies identified during their engagement in connection with the preparation and processing of financial and accounting information) and the accounting options used. The examination of the financial statements is also accompanied by a presentation by Management describing the Company's risk exposure, including social and environmental risks, and setting out the Company's off-balance sheet commitments and the accounting options used.

The Statutory Auditors bring to the attention of the Audit Committee all information required by law, in particular the information required pursuant to Article L. 823-16 of the French Commercial Code.

The Chair and Chief Executive Officer has always abstained from attending meetings of the Audit Committee but, when necessary, is invited to attend part of the meetings at the request of the Committee Chair.

Work of the Audit Committee in 2022

The Audit Committee met six times in 2022, with an attendance rate of 100%.

6 Meetings

100% Attendance rate

The main work conducted by the Committee during its meetings in 2022 concerned:

- reviewing the draft statutory and consolidated financial statements for the year ended 31 December 2021, and the half-yearly results at 30 June 2022, as well as the corresponding financial reports and press releases;
- presenting the Company's risk exposure and its off-balance sheet commitments;
- reviewing the related-party agreements entered into or ongoing in 2021;
- examining the Board of Directors' management report on the financial statements for the year ended 31 December 2021 concerning internal control and risk management procedures;
- re-appointing KPMG & Associés as principal Statutory Auditor;
- implementing share buyback programmes for a maximum amount of €20 million, and then €10 million, with a view to cancelling the shares bought back;
- reviewing the funding policy, in particular with the signing of a new term loan subject to sustainability criteria;
- reviewing the business plan;
- reviewing the 2023 budget;
- reviewing the risk map and the internal control audit.

In addition, the Committee Chairman reported to the Board of Directors on the work of the Audit Committee.

Nomination and Compensation Committee

Membership

At 31 December 2022, the Nomination and Compensation Committee comprised five members chosen from among the Directors – at least three of whom are independent Directors, including its Chair – and appointed by the Board for the duration of their term of office.

No executive corporate officers sit on the Nomination and Compensation Committee.

The Company's Nomination and Compensation Committee comprises the following members:

- Séverine Farjon, Independent Director (Committee Chair);
- Olivier Lecomte, Lead Independent Director;
- Laurent Luccioni, Independent Director;
- Jérôme Nanty, Director; and
- Laurent Vallée, Director.

Duties

The Nomination and Compensation Committee, whose main role is to assist the Board of Directors in determining and regularly assessing all compensation and benefits of corporate officers and senior executives of the Company and in overseeing the membership of the Company's supervisory bodies, is responsible for:

- proposing Independent Director candidates, organising the selection of future Independent Directors and carrying out its own review of potential candidates before taking any action, as well as issuing opinions on the candidates proposed by other Directors;
- proposing candidates to join the Board of Directors' Committees and to be appointed as corporate officers;
- issuing proposals on the compensation and incentive policies applicable to employees and corporate officers of the Company and its subsidiaries and on stock option plans and free ordinary and preference share allocations;
- submitting proposals to the Board regarding the terms of protection for corporate officers (civil liability insurance for corporate officers); and
- periodically assessing the work of the Board.

Concerning the selection of new Directors, the Nomination and Compensation Committee is responsible for submitting proposals to the Board after having examined all the relevant elements in detail, in particular in light of the shareholding structure of the Company and any changes thereto, in order to ensure a balanced membership, giving due consideration to the representation of the Company's major shareholders (it should be noted that representatives of the Reference Shareholder cannot qualify as Independent Directors), gender balance, nationality, age, qualifications, professional experience, etc. Each year, it also reviews the individual situation of each Director based on the independence criteria set out in the AFEP-MEDEF Code to which it refers.

The Nomination and Compensation Committee may consider that even though a Director meets the above criteria, he or she may not be deemed independent given his or her specific situation or that of the Company, due its shareholding structure or for any other reason. Conversely, the Nomination and Compensation Committee may consider that a Director who does not meet the required criteria can nevertheless be deemed independent.

It also issues a recommendation on the overall amount and methods for allocating the Directors' compensation.

The Nomination and Compensation Committee reviews the compensation policy applicable to senior executives reporting directly to the Chief Executive Officer, as well as for the executive corporate officers.

The Nomination and Compensation Committee draws up a succession plan for the main corporate officers, which is presented to the Board of Directors.

Work of the Nomination and Compensation Committee in 2022

The Nomination and Compensation Committee met twice in 2022, with an attendance rate of 90%.

2 Meetings

90% Attendance rate

The main topics discussed by the Committee during its meetings in 2022 were as follows:

- reviewing the Corporate Governance Report;
- annual review of Directors' independence;
- reviewing the executive corporate officers' 2021 compensation and 2022 compensation policies;
- reviewing the 2021 and 2022 compensation policies for the members of the Board of Directors;
- implementing a free share plan (2022 Plan);
- recording the performance and service conditions of the free preference share plan of 16 May 2019, and the conversion of preference shares into ordinary shares;
- reviewing the Board of Directors' assessment;
- reviewing the membership, organisation and operating procedures of the Board of Directors and its Committees;
- reviewing the succession plans for corporate officers and key senior executives;
- re-appointing Maria Garrido as a Director for a four-year term.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the Nomination and Compensation Committee.

Strategy and Investment Committee

Membership

At 31 December 2022, the Strategy and Investment Committee comprised six members chosen from among the Directors and appointed by the Board for the duration of their term of office. The Chair of the Strategy and Investment Committee is appointed by the Board.

The Company's Strategy and Investment Committee comprises the following members:

- Nathalie Robin, Independent Director (Committee Chair);
- Marie Cheval, Chair and Chief Executive Officer;
- Emmanuel Chabas, Independent Director;
- Nadra Moussalem, Independent Director;
- Jérôme Nanty, Director; and
- Laurent Vallée, Director.

Duties

The Strategy and Investment Committee, prior to any decision of the Chair and Chief Executive Officer (or the Deputy Chief Executive Officer, as the case may be) and/or of the Board of Directors, as applicable, is responsible for:

- reviewing the Company's investment strategy and that of its Subsidiaries and monitoring investment opportunities;
- reviewing, and issuing an opinion on, the annual investment budget;
- issuing an opinion on any investment or divestment for an amount exceeding €15 million;
- examining, and issuing an opinion on, decisions relating to any proposed investment or divestment requiring the prior authorisation of the Board; and
- examining, and issuing an opinion on, decisions regarding the conclusion, substantial modification, early termination or renewal of the Renovation and Development Agreement with Carrefour, and regarding any asset transfer agreement for an amount exceeding an amount specified in the Rules of Procedure, between (a) the Company and/or one of its Subsidiaries, and (b) a Reference Shareholder (defined as any entity having a significant direct or indirect influence on the Company) and/or any Affiliate of such Reference Shareholder.

The Directors representing the Reference Shareholder only take part in the deliberations of the Strategy and Investment Committee in an advisory capacity.

Work of the Strategy and Investment Committee in 2022

The Strategy and Investment Committee met four times in 2022, with an attendance rate of 95%.

6 DIRECTORS

4	95%
Meetings	Attendance rate

The main topics discussed by the Committee during its meetings in 2022 were as follows:

- the Company's acquisition, disposal and asset extension projects and opportunities;
- mixed-use projects; and
- the review of the Company's assets and analysis of the 2023-2026 strategic plan.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the Strategy and Investment Committee.

CSR Committee

At 31 December 2022, the CSR Committee comprised five members chosen from among the Directors and appointed by the Board for the duration of their term of office. The Chair of the CSR Committee is appointed by the Board.

Membership

The Company's CSR Committee comprises the following members:

- Séverine Farjon, Independent Director (Committee Chair);
- Marie Cheval, Chair and Chief Executive Officer;
- Nathalie Robin, Independent Director;
- Laurent Vallée, Director;
- Maria Garrido, Independent Director.

Duties

In particular, the CSR Committee is responsible for:

- examining the Company's CSR commitments and policy priorities, their alignment with stakeholder expectations, and their roll-out, and ensuring that CSR matters are properly taken into account in the Company's strategy and its implementation;
- assessing risks, identifying new opportunities and analysing the impact of the CSR policy on financial performance;
- reviewing the annual statement on the Group's non-financial performance;
- reviewing the summary of the ratings awarded to the Company by ratings agencies and non-financial analysts; and
- identifying and discussing emerging CSR trends, and verifying that the Company is well prepared for the challenges specific to its business and objectives.

Work of the CSR Committee in 2022

The CSR Committee met twice during 2022, with an attendance rate of 100%.

5 DIRECTORS

2	100%
Meetings	Attendance rate

The Committee met to update the Company's 2022 CSR strategy and put forward initiatives to support its roll-out, to review Carmila's carbon and energy efficiency roadmap, to review the progress of the 2022 action plans and to set the new objectives of the Company's CSR strategy.

The Committee Chair reported to the Board of Directors on the topics discussed at each meeting of the CSR Committee.

5.2 Executive corporate officer compensation

The presentation of the compensation of the Company's corporate officers described below includes the disclosures required under French order no. 2019-1234 of 27 November 2019, adopted in application of French law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law). Under the legislation, the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022 is required to vote on the following resolutions:

- approval of the corporate officers' compensation, as required under paragraph I of Article L. 22-10-9 of the French Commercial Code;
- approval of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or granted in respect of 2022 to Marie Cheval, Chair and Chief Executive Officer;
- approval of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or granted in respect of 2022 to Sébastien Vanhoove, Deputy Chief Executive Officer;
- approval of the compensation policy applicable to the Chair and Chief Executive Officer;
- approval of the compensation policy applicable to the Deputy Chief Executive Officer;
- approval of the compensation policy applicable to the members of the Board of Directors.

The following section of the Corporate Governance Report includes (i) a summary of the compensation policies applicable to the executive corporate officers (section 5.2.1), (ii) all components of compensation and benefits in kind paid or awarded to the corporate officers in respect of 2022 (section 5.2.2), and (iii) the 2023 compensation policies applicable to corporate officers (section 5.2.3).

5.2.1 Summary of the compensation policies for the corporate officers

5.2.1.1 General principles for setting, implementing and applying the compensation policies applicable to the corporate officers

Setting the compensation policies

The compensation policies applicable to Carmila's executive corporate officers are set by the Board of Directors based on the recommendations of the Nomination and Compensation Committee, and put to the vote at the Annual General Meeting. In accordance with the provisions of Carmila's Rules of Procedure, the Nomination and Compensation Committee has the power to make any proposals relating to the compensation policies applicable to the executive corporate officers.

In terms of the compensation of the Deputy Chief Executive Officer, the Chair and Chief Executive Officer proposes the compensation policy to the Nomination and Compensation Committee, which reviews it before making a recommendation to the Board of Directors.

Lastly, on the recommendation of the Nomination and Compensation Committee, each year the Board of Directors determines the allocation of the compensation to the members of the Board of Directors, within the budget approved by the Annual General Meeting and taking into account any waivers by the Directors and their attendance at meetings of the Board and any Committees on which they sit.

The principles governing the compensation granted to the corporate officers are set in accordance with the requirements of the AFEP-MEDEF Code to which the Company refers. As such, the Board of Directors ensures that the compensation granted to the corporate officers reflects the Group's strategy, in order to promote the Company's medium- and long-term performance and competitiveness by acting responsibly in the interest of the Company and all stakeholders.

The compensation policies for the Chair and Chief Executive Officer and the Deputy Chief Executive Officer were discussed and approved by the Board of Directors at its meeting of 15 February 2023, based on the recommendations of the Nomination and Compensation Committee, in accordance with the provisions of Articles L. 22-10-8, L. 22-10-9 and L. 22-10-34 of the French Commercial Code.

Review of the compensation policies

The compensation policies are reviewed each year by the Board of Directors on the recommendation of the Nomination and Compensation Committee, after the financial statements have been approved. The Nomination and Compensation Committee ensures that the compensation granted to the corporate officers is competitive and, as such, may refer to studies of comparable companies or the opinions of external firms.

In undertaking the review, the Nomination and Compensation Committee takes into account the compensation and employment terms of the Company's employees, in order to make recommendations and proposals to the Board of Directors.

Moreover, the Nomination and Compensation Committee ensures that the performance criteria set reflect the Company's strategy and, in the case of qualitative criteria, any specific duties related thereto.

Implementation of the compensation policies

The compensation policies for the corporate offices are implemented by the Board of Directors in accordance with the resolutions passed by the Annual General Meeting. Each year, after the Company's financial statements have been approved, the Board of Directors draws on the recommendations of the Nomination and Compensation Committee to set objectives linked to each of the performance criteria on which the annual variable compensation of the Chair and Chief Executive Officer and Deputy Chief Executive Officer is based. It also sets targets and maximum and minimum objectives, so that the amount of variable compensation can be adjusted upwards or downwards according to the performance criteria set.

Drawing on the recommendations of the Nomination and Compensation Committee and following the authorisation of the Annual General Meeting, the Board of Directors sets the terms of the long-term compensation granted to the corporate officers in the form of free shares or free preference shares, based on the Company's performance and ambitions.

In accordance with the provisions of Article L. 22-10-8 III of the French Commercial Code, after the Nomination and Compensation Committee has advised on the matter, the Board of Directors may decide not to apply the compensation policy concerning annual fixed compensation, annual variable compensation and long-term compensation, and in particular the performance criteria and conditions, in the event of exceptional circumstances if said change remains temporary, in accordance with the Company's interests and where necessary to guarantee its continuity or viability.

Managing conflicts of interest

The Company adheres to the conditions set out in the AFEP-MEDEF Code on managing conflicts of interest. As such, in accordance with the provisions of Article 1.6.6 of the Company's Rules of Procedure, any situation liable to result in a conflict of interest must be brought to the attention of the Board of Directors and may be investigated by the Lead Independent Director in particular.

In the event that a conflict of interest is unavoidable, the corporate officer in question abstains from taking part in the discussions and any decision-making on the matters in question.

Application of the compensation policies

Appointment of new corporate officers

If a new Chair and Chief Executive Officer is appointed, the compensation policy applicable to the current Chair and Chief Executive Officer will be applied, taking into account any additional duties assigned by the Board of Directors.

If a new Deputy Chief Executive Officer is appointed, the compensation policy applicable to the Deputy Chief Executive Officer will be applied.

However, the specific circumstances of each of the corporate officers and their responsibilities may be taken into account by the Board of Directors, on the recommendation of the Nomination and Compensation Committee. The Board may adjust the compensation policy accordingly and the revised policy will be subject to approval at the Annual General Meeting.

If a new Director is appointed, the compensation policy applicable to current members of the Board of Directors will be applied.

Performance criteria evaluation method

The performance criteria applied to the variable compensation granted to the corporate officers and the long-term compensation are measurable. Performance criteria are based on financial and non-financial criteria, the achievement of which is audited by the Statutory Auditors during the audit of the financial statements, but also on the Company's non-financial statement for the year in question.

Application of the compensation policies based on the status of each executive corporate officer

Carmila's executive corporate officers do not all have the same status.

Marie Cheval resigned from her position as Executive Director in charge of Hypermarkets and Financial Services with the Carrefour group when she was appointed Chair and Chief Executive Officer of Carmila. Her compensation as Chair and Chief Executive Officer is therefore paid in full by the Company.

Conversely, Sébastien Vanhoove, Deputy Chief Executive Officer since 24 October 2018, is an employee of the Carrefour group. The amount of his fixed and variable compensation is paid by the Company for up to 50% and is rebilled by Carrefour to the Company under a secondment agreement. For 2023, shareholders will be asked to approve an additional fixed component, to be paid in full by the Company. The Deputy Chief Executive Officer's annual fixed compensation would therefore comprise (i) an amount of €370,000, 50% of which would be paid by the Company and 50% rebilled to Carrefour, and (ii) an additional amount of €30,000, paid in full by the Company.

5.2.2 Application of the compensation policies applicable to the executive corporate officers for the year ended 31 December 2022 (Articles L. 22-10-9 I and L. 22-10-34 II of the French Commercial Code)

The disclosures on the components of compensation paid or granted to the executive corporate officers for 2022 as presented in this section are the disclosures required under Article L. 22-10-9 I of the French Commercial Code and put to a shareholder vote pursuant to Article L. 22-10-34 II of the French Commercial Code.

The compensation and benefits in kind paid or granted in respect of 2022 are in line with the compensation policies approved at the Annual General Meeting of 12 May 2022 for Marie Cheval and Sébastien Vanhoove.

SUMMARY TABLE OF THE COMPONENTS OF COMPENSATION PAID IN RESPECT OF 2022

The table below shows a summary of the components of compensation to which each of the executive corporate officers is entitled under the applicable 2022 compensation policy.

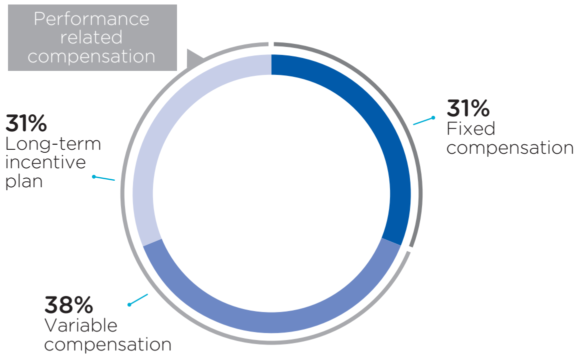
Component of compensation	Marie Cheval	Sébastien Vanhoove
Fixed compensation	√	√
Variable compensation	√	√
Extraordinary compensation	-	-
Long-term incentive plan	√	√
Benefits in kind	√	-
Directors' compensation	√	-
Supplementary pension plan	-	-
Termination benefit – Severance pay	-	-
Non-compete benefit	√	-

5.2.2.1 Components of compensation and benefits in kind paid or granted in respect of 2022 to the Chair and Chief Executive Officer

At its meeting of 16 February 2022, on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided on the 2022 compensation policy applicable to Marie Cheval, which was approved by the Annual General Meeting on 12 May 2022.

Marie Cheval does not hold any executive positions other than Chair and Chief Executive Officer of Carmila.

She does not have an employment contract with the Company.



BREAKDOWN OF THE COMPENSATION GRANTED OR PAID IN RESPECT OF 2022 AND 2021 TO MARIE CHEVAL, CHAIR AND CHIEF EXECUTIVE OFFICER, CALCULATED PRO RATA TO HER EFFECTIVE TERM OF OFFICE (TABLE 2 OF THE AFEP-MEDEF CODE)

Marie Cheval Chair and Chief Executive Officer	2022		2021	
	Amounts granted for the year	Amounts paid during the year	Amounts granted for the year	Amounts paid during the year
	Annual basis	Annual basis	Annual basis	Annual basis
Fixed compensation *(gross before tax)*	€500,000	€500,000	€500,000	€500,000
Annual variable compensation	€543,000(1)	€563,000(2)	€563,000(2)	€82,833(3)
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' compensation	€45,000	€45,000	€45,000	€9,375
Benefits in kind	€15,193(4)	€2,220	€2,220	€370(5)
Total	**€1,103,193**	**€1,110,220**	**€1,110,220**	**€592,578**

(1) Payment subject to approval at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.
(2) Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.
(3) Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020, the amount of which will be calculated pro rata to the start of her term of office as Chair and Chief Executive Officer on 3 November 2020, making a total of 2/12ths of her gross fixed compensation.
(4) The amount of the benefit in kind paid in 2022 in respect of 2022 includes (i) the use by Marie Cheval of a company car and (ii) the contribution for 2022 to the GSC unemployment insurance policy, which is treated as a benefit in kind.
(5) The amount of the benefit in kind paid in 2021 in respect of 2021 only includes the use by Marie Cheval of a company car calculated on a pro rata basis, i.e., 2/12ths, as the contribution to the GSC unemployment insurance was not treated as a benefit in kind.

Fixed compensation

Marie Cheval's fixed compensation in her capacity as Chair and Chief Executive Officer is paid in full by the Company. Pursuant to these principles, the fixed compensation of the Chair and Chief Executive Officer paid by Carmila amounts to €500,000.

Annual variable compensation

Calculation methods

The variable compensation received by the Chair and Chief Executive Officer in respect of her duties within the Company is determined by the Board of Directors of the Company, on the recommendation of the Nomination and Compensation Committee and based on performance criteria. The variable portion of the Chair and Chief Executive Officer's compensation amounts to 100% of her gross fixed compensation if the performance criteria are achieved at 100%, and up to 120% of her gross fixed compensation paid by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2022, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

(i) general quantitative criteria for 50% of the variable compensation (gross asset value of portfolio [including transfer taxes], 2022 EPRA Cost Ratio [excluding vacancy costs and Covid-19 impact], growth in 2022 recurring earnings per share, excluding the impact of a potential stock dividend and adjusted for the impact of any disposals, a CSR criterion on the percentage of centres with BREEAM [or equivalent] certification, and the percentage of greenhouse gas emission reduction versus 2021);

(ii) individual quantitative criteria for 20% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate [2022 year-on-year] and customer Net Promoter Score, contribution to Carmila EBITDA of the Carmila Retail Development business, and the number of mobile towers completed by Next Tower in 2022); and

(iii) individual qualitative criteria for 30% of the variable compensation (governance and compliance, financial reporting, Carmila Retail Development activities and new business, quality of customer and partner relations and implementation of the financial policy).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.

At its meeting of 15 February 2023, on the recommendation of the Nomination and Compensation Committee, the Board of Directors noted that the achievement rates for the performance criteria underlying Marie Cheval's variable compensation were as follows:

- 132% for the general quantitative criteria;
- 160% for the individual quantitative criteria; and
- 150% for the individual qualitative criteria;
- i.e., an overall achievement rate of 143%.

The annual variable compensation due to Marie Cheval in respect of 2022 amounts to €543,000.

Long-term incentive plan

At its meeting of 12 May 2022, acting under the authorisation given by the Annual General Meeting on the same day and on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to allocate, subject to service and performance conditions, 44,248 free shares (equivalent of twelve months' salary) to Marie Cheval. Details of the performance criteria and terms of the share allocations made to Marie Cheval are provided in section 5.2.2.3 "Free shares allocated to the executive corporate officers in 2022" of this Universal Registration Document.

The following table shows the value of the free shares allocated to Marie Cheval:

	2022
Value of options allocated during the year	N/A
Maximum value of Carmila shares allocated without consideration during the year (2022 free share plan [FSP] of 12 May 2022)	€606,000(1)
Total	**€606,000(1)**

(1) Maximum amount calculated on the assumption that performance conditions are fully achieved, and based on a share price of €13.70 corresponding to the average closing price of the last 40 trading days in 2022.

Benefits in kind

Marie Cheval may receive benefits in kind.

Marie Cheval receives benefits in kind including (i) a Company car and (ii) unemployment insurance contributions as part of her enrolment in the private executive unemployment insurance plan for managers taken out with GSC. The estimated value of these two benefits in kind in 2022 was €15,193.

Extraordinary compensation

Marie Cheval did not receive any extraordinary compensation.

Directors' compensation

As a Director and Committee member, the Chair and Chief Executive Officer is entitled to compensation based on the same rules set by the compensation policy applicable to Board members.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors granted compensation in the amount of €45,000 to Marie Cheval for 2022, in respect of her duties as Director, Chair of the Board of Directors and member of the Strategy and Investment Committee and of the CSR Committee.

Other components of compensation

Marie Cheval is not eligible for any severance pay (resignation, dismissal, forced resignation or retirement) upon the termination of her corporate office within the Company, or any indemnities in respect of a non-compete clause or a supplementary pension plan.

Shareholding obligation

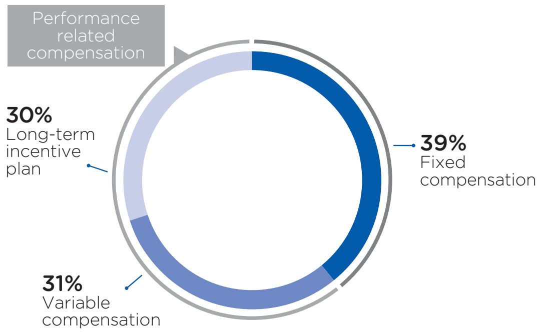
In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, the Chair and Chief Executive Officer must hold 10,000 Company shares for the duration of her corporate office.

As of the date of this Universal Registration Document, Marie Cheval held 5,939 Carmila ordinary shares.

5.2.2.2 Components of compensation and benefits in kind paid or granted in respect of 2022 to Sébastien Vanhoove, Deputy Chief Executive Officer

Following the appointment of Marie Cheval as Chair and Chief Executive Officer of the Company, the term of office of Sébastien Vanhoove as Deputy Chief Executive Officer was confirmed, at Marie Cheval's proposal. At its meeting of 16 February 2022, the Board of Directors also decided on the 2022 compensation policy applicable to Sébastien Vanhoove, which was approved by the Annual General Meeting on 12 May 2022.

Sébastien Vanhoove is Chairman of Carrefour Property France, in which capacity he is responsible for Carrefour Property France and its subsidiaries. He holds an employment contract with Carrefour Management, which covers his duties. A secondment agreement is in place between the Carrefour group and the Company, under which Sébastien Vanhoove is seconded to the Company for half of his working hours, with his fixed and variable compensation rebilled to the Company as from 1 August 2018. This secondment agreement was approved by the Annual General Meeting of 16 May 2019 under the related-party agreements procedure. Its renewal through to 31 July 2026 will be subject to the approval of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.



BREAKDOWN OF THE COMPENSATION GRANTED OR PAID IN RESPECT OF 2022 AND 2021 TO SÉBASTIEN VANHOOVE, DEPUTY CHIEF EXECUTIVE OFFICER (TABLE 2 OF THE AFEP-MEDEF CODE)

	2022*		2021*	
Sébastien Vanhoove	**Amounts granted for the year**	**Amounts paid during the year**	**Amounts granted for the year**	**Amounts paid during the year**
Deputy Chief Executive Officer	**Annual basis**	**Annual basis**	**Annual basis**	**Annual basis**
Fixed compensation *(gross before tax)*	€165,000	€165,000	€165,000	€165,000
Annual variable compensation	€95,000(1)	€106,000(2)	€106,000(2)	€64,000(3)
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Compensation granted in respect of his office as Deputy Chief Executive Officer of Almia Management	N/A	N/A	N/A	€30,000
Benefits in kind	N/A	N/A	N/A	N/A
Total	**€260,000**	**€271,000**	**€271,000**	**€229,000**

* *Fixed and variable compensation paid by Carmila.*
(1) *Payment subject to approval at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.*
(2) *Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.*
(3) *Payment approved by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020.*

The fixed and variable compensation paid by the Company to Sébastien Vanhoove in respect of his duties within the Company are rebilled by the Carrefour group to the Company, as described below.

Fixed compensation

One half of the fixed compensation due to Sébastien Vanhoove under his employment contract with Carrefour Management is paid by the Company in respect of his duties within the Company, and the other half is paid by the Carrefour group in respect of his duties within Carrefour Property France.

In respect of 2022, the portion of Sébastien Vanhoove's fixed compensation paid by the Company amounts to €165,000 (50%).

Annual variable compensation

The variable compensation received by Sébastien Vanhoove in respect of his duties within the Company is determined based on performance criteria relating only to the Carmila Group.

In respect of 2022, the variable portion of Sébastien Vanhoove's compensation amounts to 40% of his gross fixed compensation paid by the Company if the performance criteria are achieved at 100%, and up to 80% of his gross fixed compensation paid by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the percentage of performance criteria achieved.

In respect of 2022, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

(i) general quantitative criteria for 40% of the variable compensation (gross asset value of portfolio [including transfer taxes], 2022 EPRA Cost Ratio [excluding vacancy costs and Covid-19 impact], growth in 2022 recurring earnings per share, excluding the impact of a potential stock dividend and adjusted for the impact of any disposals, a CSR criterion on the percentage of centres with BREEAM [or equivalent] certification, and the percentage of greenhouse gas emission reduction versus 2021);

(ii) individual quantitative criteria for 30% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate (2022 year-on-year) and customer Net Promoter Score, contribution to Carmila EBITDA of the Carmila Retail Development business, and the number of mobile towers completed by Next Tower in 2022); and

(iii) qualitative criteria for 30% of the variable compensation (leasing and retailer relations, "warning" site action plan, quality of relations with Carrefour, project milestones, and management of Carmila's teams).

The variable compensation paid by Carrefour Management to Sébastien Vanhoove in respect of his operational duties within Carrefour is set according to performance criteria established by the Carrefour group.

At its meeting of 15 February 2023, on the recommendation of the Nomination and Compensation Committee, the Board of Directors noted that the achievement rates for the performance criteria underlying Sébastien Vanhoove's variable compensation were as follows:

- 132% for the general quantitative criteria;
- 160% for the individual quantitative criteria; and
- 142% for the individual qualitative criteria;
- i.e., an overall achievement rate of 143%.

The annual variable compensation due to Sébastien Vanhoove in respect of 2022 amounts to €95,000.

Long-term incentive plan

At its meeting of 12 May 2022, acting under the authorisation given by the Annual General Meeting on the same day and on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to allocate, subject to service and performance conditions, 11,615 free shares (equivalent of nine months' salary) to Sébastien Vanhoove. Details of the performance criteria and terms of the share allocations made to Sébastien Vanhoove are provided in section 5.2.2.3 "Free shares allocated to the corporate officers in 2022" of this Universal Registration Document.

The following table shows the value of the free shares allocated to Sébastien Vanhoove:

	2022
Value of options allocated during the year	N/A
Value of Carmila shares allocated without consideration during the year (2022 free share plan [FSP] of 12 May 2022)	159,000[1]
Total	**159,000[1]**

(1) Maximum amount calculated on the assumption that performance conditions are fully achieved, and based on a share price of €13.70 corresponding to the average closing price of the last 40 trading days in 2022.

On 16 May 2022, after having noted the achievement rate of the performance criteria for the free share plan of 16 May 2019, the Board of Directors decided to convert the 6,962 class C shares allocated to Sébastien Vanhoove into 6,962 class A shares.

Benefits in kind

Sébastien Vanhoove did not receive any benefits in kind.

Extraordinary compensation

He did not receive any extraordinary compensation during the year.

Other components of compensation

Sébastien Vanhoove is not eligible for any severance pay (resignation, dismissal, forced resignation or retirement) upon the termination of his corporate office within the Company, or any indemnities in respect of a non-compete clause or a supplementary pension plan.

Shareholding obligation

In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, Deputy Chief Executive Officers must hold 5,000 Company shares for the duration of their term of office.

At its meeting of 13 February 2019, the Board of Directors agreed to authorise Sébastien Vanhoove to acquire a minimum of 1,000 Carmila shares and, in accordance with Article 22 of the AFEP-MEDEF Code, to allocate 100% of any free shares allocated to him to reaching the threshold of 5,000 shares.

At the date of this Universal Registration Document, Sébastien Vanhoove held 9,093 A Shares and 6,114 class D preference shares of the Company.

BREAKDOWN OF THE INDEMNITIES AND/OR BENEFITS OF THE EXECUTIVE CORPORATE OFFICERS IN RESPECT OF 2022 (TABLE 11 OF THE AFEP-MEDEF CODE)

	Employment contract with the Company		Supplementary pension plan		Indemnities or benefits due or likely to be due in the event of termination or change of position		Indemnities under a non-compete clause	
Executive corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Marie Cheval Chair and Chief Executive Officer since 2 November 2020 Date of first appointment: 2 November 2020 Term expires: Annual General Meeting called to approve the 2023 financial statements		√		√		√	√	
Sébastien Vanhoove Deputy Chief Executive Officer Date of first appointment: 27 July 2018 Term expires: Annual General Meeting called to approve the 2023 financial statements		√(1)		√		√		√

(1) Sébastien Vanhoove holds an employment contract with the Carrrefour group.

5.2.2.3 Free shares allocated to the executive corporate officers in 2022

Following a decision taken by the Board of Directors on 12 May 2022, in 2022 the Company set up a new plan for its senior executives and employees (the "**2022 Plan**"), in the form of free shares subject to service and performance conditions. The plan comprised a total of 238,938 free shares, of which 44,248 were allocated to Marie Cheval and 11,615 to Sébastien Vanhoove.

The plan is conditional upon (i) continued service within the Company at the end of a three-year vesting period (i.e., 12 May 2025), and (ii) the following performance conditions assessed over three years (2022-2024):

- Performance condition 1 (25% of the allocation): change in the total shareholder return (TSR) corresponding to the change in EPRA Net Tangible Assets (NTA) at 31 December 2024, after adding back distributions over the 2022-2024 period and the EPRA NTA at 31 December 2021, compared to a panel of comparable listed real estate companies.
- Performance condition 2 (25% of the allocation): like-for-like recurring earnings per share for 2024.
- Performance condition 3 (25% of the allocation): CSR criterion relating to the reduction of the Company's greenhouse gas emissions, with a 40% emissions reduction target to be achieved by 31 December 2024 (based on greenhouse gas emissions at 31 December 2019).
- Performance condition 4 (25% of the allocation): Carmila's total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing (i) the average closing price over the last 40 trading days in 2024, after adding back any distributions between 1 January 2022 and 31 December 2024; by (ii) the average closing price of the last 40 trading days of 2021.

The maximum total number of free shares allocated under the plan may not represent more than 1% of the Company's share capital at the date of the Annual General Meeting of 12 May 2022, or more than 0.5% for the shares allocated to the corporate officers.

SUMMARY OF THE FREE PREFERENCE SHARES ALLOCATED UNDER THE 2022 FSP

Date of the Annual General Meeting	**12 May 2022**
Date of allocation by Carmila	12 May 2022
Number of beneficiaries	44
Number of Carmila shares originally allocated under the plan	238,938
• o/w Marie Cheval	44,248
• o/w Sébastien Vanhoove	11,615
• o/w other employees	183,075
Residual number of shares to be allocated at 31 December 2022	235,938
Vesting date of free shares	12 May 2025
Availability date	13 May 2025

5.2.2.4 Pay ratios (Article L. 22-10-9 of the French Commercial Code)

In accordance with the provisions of Article L. 22-10-9 of the French Commercial Code, this report presents disclosures on the ratios between the level of compensation of the Chair and Chief Executive Officer and the Deputy Chief Executive Officer, and the average compensation of employees on a full-time equivalent basis.

Since Carmila SA has no employees, it could not be used for the purposes of calculating pay ratios. Consequently, the relevant scope included Almia Management, which groups together the entire French workforce, in line with the provisions of recommendation 26.2 of the AFEP-MEDEF Code.

As the Company was formed from the merger of Carmila SAS and Cardety on 12 June 2017, the pay ratios cover a three-year period: 2020, 2021 and 2022.

The selected scope only includes full-time employees with French permanent employment contracts, who were present for the full 12 months of each year analysed.

The ratios were calculated on the basis of the gross compensation paid in respect of the year in question and include the fixed compensation and variable compensation paid during the year, any profit-sharing and incentives paid during the year, and any free shares and performance shares allocated during the year (at nominal value), plus the associated social charges.

With regard to senior executives, as there was a change of Deputy Chief Executive Officer in 2020, and changes of Chair and Chief Executive Officer in 2019 and 2020, the pay ratios are presented by position rather than in nominative form.

The calculation of the pay ratios is subject to any adjustments recommended in the AFEP-MEDEF Code and takes into account any applicable legislative or regulatory changes.

	2022(1)	2021(2)	2020(2)
Chair and Chief Executive Officer(3)			
Ratio – Average compensation	15.62	10.40	5.31
Ratio – Median compensation	20.15	12.47	6.17
Deputy Chief Executive Officer(4)			
Compensation granted for the financial year			
Ratio – Average compensation	3.89	3.55	3.31
Ratio – Median compensation	5.02	4.26	3.85

(1) *The ratios are calculated based on the compensation paid in respect of 2022.*
(2) *The ratios are calculated based on the compensation granted in respect of 2020 and 2021.*
(3) *The position of Chair and Chief Executive Officer was held by Jacques Ehrmann until 30 June 2019, then by Alexandre de Palmas from 1 July 2019 to 2 November 2020, and lastly by Marie Cheval from 2 November 2020.*
(4) *The position of Deputy Chief Executive Officer has been held by Sébastien Vanhoove since 27 July 2018.*

The significant increase in 2021 in the ratio for the Chairman and Chief Executive Officer is mainly linked to the change of corporate officer and the appointment of Marie Cheval, whose compensation for her duties as Chair and Chief Executive Officer is paid in full by the Company, which was not the case with her predecessors.

The ratio for the Deputy Chief Executive Officer was relatively stable from 2020 to 2022.

5.2.2.5 Components of compensation and benefits in kind paid or granted in respect of 2022 to the members of the Board of Directors

The 2022 compensation policy applicable to the members of the Board of Directors was approved at the Annual General Meeting of 12 May 2022. The maximum total annual compensation that can be allocated to the members of the Board of Directors has been set at €445,000.

Directors' compensation includes a fixed portion, calculated on a pro rata basis for terms of office having ended or begun during the year, and a variable portion granted by the Board of Directors based on actual attendance at Board and Committee meetings. In accordance with the AFEP-MEDEF Code, the variable portion of Board members' compensation is preponderant.

The terms for allocating compensation among the members of the Board of Directors are as follows:

- for the Board of Directors:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Board meetings and time spent on Board work,
  - compensation of €30,000 for the Lead Independent Director;
- for the Committees:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Committee meetings and time spent on Committee work;
- for the Non-Voting Directors:
  - an annual fixed amount of €5,000,
  - an annual variable amount of €10,000 based on effective attendance at Board meetings.

Committee Chairs also receive additional compensation of €10,000.

The table below summarises all the compensation granted and paid to the Board members in respect of 2021 and 2022, including members whose term of office ended during the year:

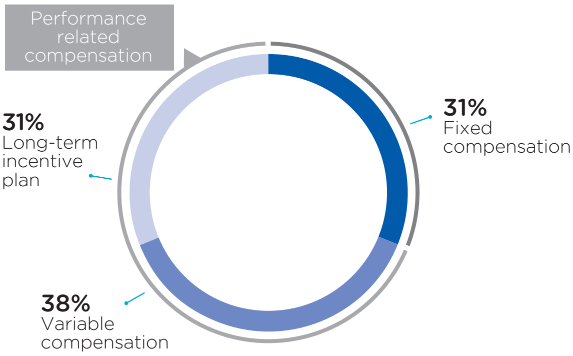
	2022		2021	
(gross amounts in euros)	Amount granted[(1)]	Amount paid[(2)]	Amount granted[(1)]	Amount paid[(2)]
Marie Cheval	45,000.00	45,000.00	45,000.00	9,375.00[(3)]
Alexandre de Palmas	N/A	Waived[(4)]	Waived[(4)]	35,625.00[(5)]
Sogecap represented by Yann Briand	30,000.00	30,000.00	30,000.00	28,333.33
Predica represented by Emmanuel Chabas	27,500.00	30,000.00	30,000.00	Waived
Axa Reim France represented by Amal Del Monaco	N/A	7,619.05	7,619.05	Waived
Séverine Farjon	63,750.00	65,000.00	65,000.00	40,000.00
Maria Garrido	45,000.00	45,000.00	45,000.00	28,750.00
Olivier Lecomte	85,000.00	85,000.00	85,000.00	65,000.00
Laurent Luccioni	30,000.00	20,000.00	20,000.00	Waived
Nadra Moussalem	30,000.00	30,000.00	30,000.00	28,750.00
Jérôme Nanty	Waived	Waived	Waived	Waived
Claire Noël du Payrat	Waived	Waived	Waived	Waived
Élodie Perthuisot	Waived	Waived	Waived	N/A
Cardif Assurance Vie represented by Nathalie Robin	53,750.00	55,000.00	55,000.00	30,000.00
Laurent Vallée	Waived	Waived	Waived	Waived

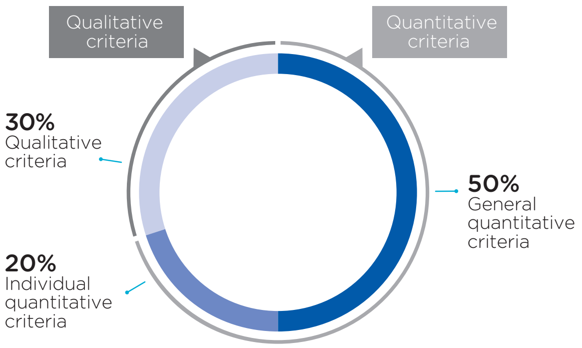
(1) Amounts due based on effective attendance during the year.
(2) Amounts paid during the year.
(3) Amounts calculated since the appointment of Marie Cheval and paid in respect of her duties as Chair of the Board of Directors (excludes the compensation paid in her capacity as Chief Executive Officer described in section 5.2.1.1.).
(4) Alexandre de Palmas, Director representing Carrefour following the appointment of Marie Cheval as Chair and Chief Executive Officer, waived his compensation due for 2021.
(5) Amounts calculated for the term of Alexandre de Palmas' office as Director, i.e., until the Annual General Meeting of 18 May 2021.

5.2.3 2023 compensation policies applicable to the executive corporate officers

5.2.3.1 2023 compensation policy applicable to Marie Cheval, Chair and Chief Executive Officer

STRUCTURE OF MARIE CHEVAL'S 2023 COMPENSATION





Annual fixed and variable compensation

Annual compensation comprises a fixed portion and a variable portion and reflects the responsibilities, experience and skills of the Chair and Chief Executive Officer, as well as market practices.

Annual fixed compensation

Annual fixed compensation is reviewed at relatively long intervals, although it may be re-examined by the Board of Directors in certain cases, particularly when the Chair and Chief Executive Officer's term is up for renewal. Pursuant to these principles, in respect of 2023 Marie Cheval's fixed compensation borne by Carmila amounts to €500,000.

Annual variable compensation

Annual variable compensation may not exceed a maximum amount expressed as a percentage of reference annual fixed compensation (referred to above).

Annual variable compensation may not exceed 120% of the Chair and Chief Executive Officer's annual fixed compensation.

Annual variable compensation is subject to the fulfilment of performance conditions based on achieving general, financial and non-financial quantitative objectives, as well as individual quantitative and qualitative objectives.

The target achievement rate for the objectives used to determine the executive corporate officers' annual variable compensation is established precisely by the Board of Directors, on the recommendation of the Nomination and Compensation Committee.

These criteria can be used to assess both the Chair and Chief Executive Officer's individual performance and the Company's performance. In this way, the variable compensation is linked to the Company's overall results, ensuring alignment with the Group's corporate interests and the development of its strategy. In accordance with Article L. 22-10-34 III, paragraph 2 of the French Commercial Code, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting.

Calculation methods

At its meeting of 15 February 2023, the Board of Directors decided that the variable portion of Marie Cheval's compensation would be equal to 100% of her gross fixed compensation if the performance criteria are achieved at 100%, and up to 120% of her gross fixed compensation borne by the Company if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2023, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

- (i) general quantitative criteria for 50% of the variable compensation (gross asset value of the portfolio [including transfer taxes], 2023 EPRA Cost Ratio [excluding direct vacancy costs], growth in 2023 recurring earnings per share and a CSR criterion regarding the percentage reduction in greenhouse gas emissions compared to 2022);
- (ii) individual quantitative criteria for 20% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up Store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate (2023 year-on-year) and customer Net Promoter Score, the cumulative minimum guaranteed rent (MGR) of next Tower, and the contribution to Carmila EBITDA of the Carmila Retail Development business; and
- (iii) individual qualitative criteria for 30% of the variable compensation (governance and compliance, financial reporting, M&A and asset rotation, implementation of the ESG policy – notably taxonomy and reporting, financial policy).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023.

Long-term incentive plan

The Chair and Chief Executive Officer may be allocated free shares, as decided by the Board of Directors on the recommendation of the Nomination and Compensation Committee, up to the limit of the authorisations granted by the Annual General Meeting and subject to the following terms and conditions:

- the long-term incentive plan may not exceed 12 months' maximum gross fixed compensation for the Chair and Chief Executive Officer;
- in order to benefit from the plan, the beneficiary must fulfil predominantly quantitative performance conditions, as set by the Board of Directors on the recommendation of the Nomination and Compensation Committee, over a multi-year period;
- in order to benefit from the plan, the beneficiary must still be in office at the end of the financial years considered.

In the event that shares are allocated without consideration, the Board of Directors will set the number of shares that the Chair and Chief Executive Officer is required to hold until the termination of her term of office, in accordance with the provisions of the French Commercial Code.

The Chair and Chief Executive Officer is not permitted to hedge any free shares held, throughout the entire term of the holding period set by the Board of Directors.

Marie Cheval is required to hold 50% of the total number of free shares allocated to her, capped at the equivalent of 1.5 times her gross annual fixed compensation, as described in the section below "Shareholding policy for the Chair and Chief Executive Officer".

Allocating variable compensation in the form of shares gives the Chair and Chief Executive Officer a stake in the Company's earnings and share price performance.

At its meeting of 23 March 2023, the Board of Directors decided to seek an authorisation from the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022 to allocate free existing or new shares to all or some of the employees and corporate officers of the Group.

Benefits in kind

At the Board of Directors' discretion and on the recommendation of the Nomination and Compensation Committee, the Chair and Chief Executive Officer may receive benefits in kind. Any decision to grant benefits in kind is determined in view of the nature of the office held.

Marie Cheval receives benefits in kind, in particular a Company car and unemployment insurance contributions as part of her enrollment in the private executive unemployment insurance plan taken out with GSC.

Other benefits in kind may be granted in specific situations.

Extraordinary compensation

The Chair and Chief Executive Officer may not receive extraordinary compensation, except under specific circumstances related to transactions that have a major impact on the Company.

In the event of a cash payment, extraordinary compensation may not be paid until approved by the Ordinary Shareholders' Meeting, in accordance with Article L. 22-10-34 III, paragraph 2 of the French Commercial Code.

Directors' compensation

The Chair and Chief Executive Officer receives compensation in her capacity as Director, Chair of the Board of Directors and Committee member.

The compensation granted in respect of her directorship is paid in accordance with the compensation policy for Directors as described in section 5.2.3.3 "Compensation policy applicable to members of the Board of Directors for 2023" of this Universal Registration Document. It comprises a fixed portion and a variable portion based on her attendance at meetings of the Board of Directors and its Committees.

Pension plan

The Chair and Chief Executive Officer does not benefit from any supplementary pension scheme. She is affiliated to the mandatory supplementary pension plan (ARRCO and AGIRC) and the welfare plan in force within the Company for all employees. She is also eligible for the executive unemployment insurance plan (GCS).

Termination benefit – Severance pay

The Chair and Chief Executive Officer is not eligible for any severance pay or other termination benefit upon the termination of her corporate office within the Company.

Non-compete benefit

On the recommendation of the Nomination and Compensation Committee, the Board of Directors may also decide to obtain a non-compete commitment from the Chair and Chief Executive Officer.

The Board of Directors decided, that in consideration for a one-year non-compete commitment designed to safeguard the Company's interests, Marie Cheval would be entitled to a fixed monthly payment, for a period of one year, equal to 50% of her monthly gross fixed compensation (excluding variable compensation) in the month preceding the end of her term of office. The Company may waive the application of the non-compete commitment in the 15 days following the end of her term of office.

Other components of compensation

None.

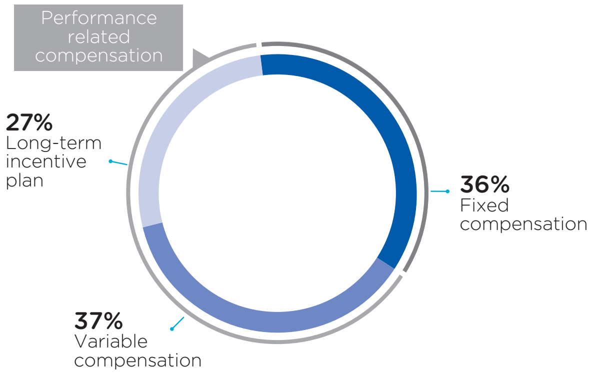
Shareholding policy for the Chair and Chief Executive Officer

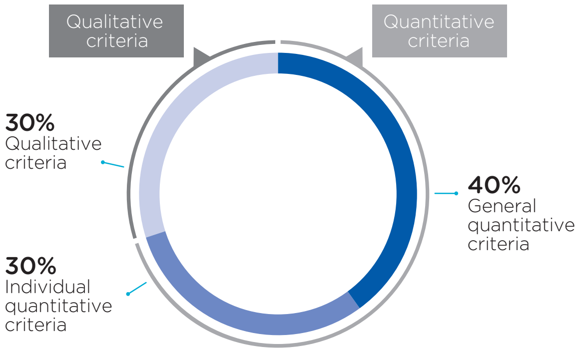
The corporate officers are required to hold a certain number of their free shares. The Board of Directors decided to set the holding obligation for the Chair and Chief Executive Officer at 50% of the total number of free shares allocated, capped at the equivalent of 1.5 times her gross annual fixed compensation.

In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, the Chair and Chief Executive Officer must hold 10,000 Company shares for the duration of the corporate office.

5.2.3.2 2023 compensation policy applicable to Sébastien Vanhoove, Deputy Chief Executive Officer

STRUCTURE OF SÉBASTIEN VANHOOVE'S 2023 COMPENSATION





Annual fixed and variable compensation

Annual compensation comprises a fixed portion and a variable portion and reflects the responsibilities, experience and skills of the Deputy Chief Executive Officer, as well as market practices.

Annual fixed compensation

Sébastien Vanhoove was appointed Deputy Chief Executive Officer of the Company at the Board of Directors' meeting held on 27 July 2018. His appointment as Deputy Chief Executive Officer was confirmed at the Board meeting of 26 November 2020, which appointed Marie Cheval as Chair and Chief Executive Officer.

Sébastien Vanhoove is Chairman of Carrefour Property France, in which capacity he is responsible for Carrefour Property France and its subsidiaries. He holds an employment contract with Carrefour Management, which covers his duties. A secondment agreement is in place between the Carrefour group and the Company, under which Sébastien Vanhoove is seconded to the Company for half of his working hours, with his fixed and variable compensation rebilled to the Company as from 1 August 2018. This secondment agreement was approved by the Annual General Meeting on 16 May 2019 under the related-party agreements procedure. Its renewal through to 31 July 2026 will be submitted to the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.

The fixed and variable compensation paid by the Company to Sébastien Vanhoove in respect of his duties within the Company are rebilled by the Carrefour group to the Company, as described below.

Pursuant to the aforesaid guidelines, in respect of 2023, the portion of Sébastien Vanhoove's fixed compensation paid by the Company amounts to €185,000, plus an additional fixed component of €30,000 paid in full by the Company.

Annual variable compensation

Annual variable compensation may not exceed a maximum amount expressed as a percentage of reference annual fixed compensation (referred to above).

The variable compensation received by the Deputy Chief Executive Officer for his executive duties within the Company may not represent more than 100% of his fixed annual compensation.

Annual variable compensation is subject to the fulfilment of performance conditions based on achieving general, financial and non-financial quantitative objectives, as well as individual quantitative and qualitative objectives.

The target achievement rate for the objectives used to determine the Deputy Chief Executive Officer's annual variable compensation is established precisely by the Board of Directors, on the recommendation of the Nomination and Compensation Committee.

These criteria can be used to assess both the Deputy Chief Executive Officer's individual performance and the Company's performance. In this way, the variable compensation is linked to the Company's overall results, ensuring alignment with the Group's corporate interests and the development of its strategy. In accordance with Article L. 22 III, paragraph 2 of the French Commercial Code, the annual variable compensation may not be paid until approved by the Ordinary Shareholders' Meeting.

Calculation methods

At its meeting of 15 February 2023, the Board of Directors decided that the variable portion of the compensation of the Deputy Chief Executive Officer, Sébastien Vanhoove, would be equal to 50% of his gross fixed compensation if the performance criteria are achieved at 100%, and up to 100% of his gross fixed compensation if the performance criteria are achieved at 200%, with the variable portion adjusted on a straight-line basis according to the extent to which the performance criteria are met.

In respect of 2023, the performance criteria used to determine the variable compensation paid by the Company and set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, are as follows:

- **(i)** general quantitative criteria for 40% of the variable compensation (gross asset value of portfolio [including transfer taxes], 2022 EPRA Cost Ratio [excluding vacancy costs], growth in 2023 recurring earnings per share, and a CSR criterion regarding the percentage reduction in greenhouse gas emissions compared to 2022);
- **(ii)** individual quantitative criteria for 30% of the variable compensation (change in vacancy rate, revenues generated by certain Specialty Leasing and Pop-up store businesses, financial occupancy rate excluding strategic vacancies, gross collection rate [2023 year-on-year] and customer Net Promoter Score, contribution to Carmila EBITDA of the Carmila Retail Development business, and the cumulative minimum guaranteed rent [rental base] from Next Tower); and
- **(iii)** qualitative criteria for 30% of the variable compensation (leasing and retailer brand relations, "warning" site action plan, quality of relations with Carrefour, implementation of the ESG policy – in particular in terms of energy efficiency at shopping centres, and management of Carmila's teams).

Payment terms

The payment of the variable compensation is conditional upon the approval of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023.

The variable compensation paid by Carrefour Management to Sébastien Vanhoove in respect of his operational duties within Carrefour will be set according to performance criteria established by the Carrefour group.

Long-term incentive plan

The Deputy Chief Executive Officer may be allocated free shares, as decided by the Board of Directors on the recommendation of the Nomination and Compensation Committee, up to the limit of the authorisations granted by the Annual General Meeting and subject to the following terms and conditions:

- the long-term incentive plan may not exceed nine months' maximum gross fixed compensation;
- in order to benefit from the plan, the beneficiary must fulfil predominantly quantitative performance conditions, as set by the Board of Directors on the recommendation of the Nomination and Compensation Committee, over a multi-year period;
- in order to benefit from the plan, the beneficiary must still be in office at the end of the financial years considered.

The Deputy Chief Executive Officer is not permitted to hedge any free shares held, throughout the entire term of the holding period set by the Board of Directors.

Sébastien Vanhoove is required to hold 50% of the total number of free shares allocated to him, capped at the equivalent of one year's gross annual fixed compensation, as described in the section below "Shareholding policy for the Deputy Chief Executive Officer". Allocating variable compensation in the form of shares gives the Deputy Chief Executive Officer a stake in the Company's earnings and share price performance.

At its meeting of 23 March 2023, the Board of Directors decided to seek an authorisation from the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022 to allocate free existing or new shares to all or some of the employees and corporate officers of the Group.

Benefits in kind

At the Board of Directors' discretion and on the recommendation of the Nomination and Compensation Committee, Sébastien Vanhoove, Deputy Chief Executive Officer, may receive benefits in kind. Any decision to grant benefits in kind is determined in view of the nature of the office held.

Extraordinary compensation

The Deputy Chief Executive Officer may not receive extraordinary compensation, except under specific circumstances related to transactions that have a major impact on the Company.

In the event of a cash payment, extraordinary compensation may not be paid until approved by the Ordinary Shareholders' Meeting, in accordance with Article L. 225-100 III, paragraph 2 of the French Commercial Code.

Directors' compensation

The Deputy Chief Executive Officer may receive compensation in respect of directorships or other offices held in Group companies.

Sébastien Vanhoove does not receive any compensation in respect of directorships or other offices held within the Group.

Pension plan

Sébastien Vanhoove does not benefit from a supplementary pension plan in respect of his corporate office within the Company.

Termination benefit – Severance pay

The Deputy Chief Executive Officer is not eligible for any severance pay upon the termination of his corporate office within the Company.

Non-compete benefit

On the recommendation of the Nomination and Compensation Committee, the Board of Directors may also decide to obtain a non-compete commitment from the Deputy Chief Executive Officer.

Sébastien Vanhoove is not eligible for any non-compete benefit upon the termination of his corporate office within the Company.

Shareholding policy for the Deputy Chief Executive Officer

The corporate officers are required to hold a certain number of their free shares. In accordance with Article 1.6.3 of the Board of Directors' Rules of Procedure, Deputy Chief Executive Officers must hold 5,000 Company shares for the duration of their term of office.

5.2.3.3 Compensation policy applicable to members of the Board of Directors for 2023

In accordance with the Board of Directors' Rules of Procedure, the compensation paid to each Director or to each Committee member, up to the limit approved by the Company's Annual General Meeting, is determined by the Board of Directors, on the recommendation by the Nomination and Compensation Committee, and includes (i) a fixed portion, calculated on a proportionate basis for terms of office having ended or begun during the year and (ii) a variable portion granted by the Board of Directors based on actual attendance at Board and Committee meetings.

In accordance with the recommendations of the AFEP-MEDEF Code, Directors' compensation consists primarily of a variable portion.

The amount of their compensation reflects the level of responsibility of the Directors and the time that their work requires, and was set in reference to comparable companies.

The terms for allocating compensation among the members of the Board of Directors are as follows:

- for the Board of Directors:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Board meetings and time spent on Board work,
  - compensation of €30,000 for the Lead Independent Director;
- for the Committees:
  - fixed compensation of €5,000 per Director,
  - variable compensation of €10,000 based on effective attendance at Committee meetings and time spent on Committee work.

Committee Chairs also receive additional compensation of €10,000.

The Annual General Meeting called to approve the financial statements for the year ended 31 December 2022, will be asked to approve a maximum overall amount of €445,000 (unchanged from 2021).

Each year, at the Board of Directors' meeting at which decisions on the allocation methods are made, Directors may waive any compensation payable in respect of their Board membership.

5.3 Related-party agreements governed by Articles L. 225-38 *et seq.* and L. 225-42-1 of the French Commercial Code

We hereby notify you that an agreement governed by Articles L. 225-38 *et seq.* and L. 225-42-1 of the French Commercial Code has been authorised by the Board of Directors as stated in the Statutory Auditors' special report in accordance with Article L. 225-40 of the aforementioned Code, which must include all agreements authorised and entered into during the financial year as well as any previous such agreements that remained in force during the financial year.

During the year, the Board of Directors' meeting of 27 July 2022 authorised the renewal of the agreement between Carmila SA and Carrefour Management SAS relating to the secondment of Sébastien Vanhoove. This agreement will be submitted for approval at the Annual General Meeting of Carmila SA called to approve the financial statements for the year ended 31 December 2022.

Moreover, at its meeting on 15 February 2023, the Board of Directors discussed the agreements entered into and authorised during previous financial years which remained in force in 2022.

Authorisation procedure for routine arm's length and related-party agreements

At its meeting of 2 April 2020, the Board of Directors adopted an internal procedure for identifying and obtaining authorisation for related-party agreements, and for distinguishing them from routine agreements entered into on an arm's length basis.

In addition to the regulatory framework governing the various potential types of agreements, the procedure also requires the Company to regularly review the terms of all routine agreements entered into within the Group. The parties directly or indirectly involved in such an agreement may not take part in the review.

5.4 Statutory Auditors' special report on related-party agreements

See the report in section 6.6 of this Universal Registration Document.

6.

Financial statements

6.1 Consolidated financial statements for the year ended 31 December 2022

6.1.1 Consolidated statement of comprehensive income

(in thousands of euros)	Note	2022	2021
Gross rental income		**356,966**	**351,790**
Charges rebilled to tenants		88,798	77,691
Total income from rental activity		**445,764**	**429,481**
Real estate expenses		(25,035)	(23,916)
Rental charges		(80,522)	(71,069)
Property expenses (landlord)		(5,012)	(44,582)
Net rental income	**8.1**	**335,195**	**289,914**
Overhead expenses	8.2	(51,762)	(51,767)
Income from property management, administration and other activities		11,704	11,505
Other income		7,683	3,322
Payroll expenses		(30,051)	(28,629)
Other external expenses		(41,098)	(37,965)
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	8.3	(2,191)	(1,245)
Other operating income and expenses		7,467	(1,125)
Gains and losses on disposals of investment properties and equity investments	8.4	(2,706)	38
Change in fair value adjustments	5.2	6,878	(4,674)
Share in net income of equity-accounted companies	7.3	4,954	3,068
Operating income		**297,835**	**234,209**
Financial income		2,162	1,039
Financial expenses		(66,514)	(62,985)
Cost of net debt		**(64,352)**	**(61,946)**
Other financial income and expenses		(11,351)	(11,761)
Net financial expense	**6.1**	**(75,703)**	**(73,707)**
Income before taxes		**222,132**	**160,502**
Income tax	9.1	(2,460)	31,834
CONSOLIDATED NET INCOME		**219,673**	**192,336**
Attributable to owners of the parent		**219,329**	**192,121**
Non-controlling interests		**344**	**215**
Average number of shares comprising Carmila's share capital	7.8.4	144,211,816	144,250,286
Earnings per share (attributable to owners) (in euros)		1.52	1.33
Diluted average number of shares comprising Carmila's share capital	7.8.4	144,417,529	144,518,878
Diluted earnings per share (attributable to owners) (in euros)		1.52	1.33

Consolidated statement of comprehensive income *(in thousands of euros)*	Note	2022	2021
Consolidated net income		**219,673**	**192,336**
Items that will be reclassified subsequently to net income		**79,323**	**20,346**
Effective portion of cash flow hedges		79,323	20,346
Fair value of other financial assets		-	-
Related income tax		-	-
Items that will not be reclassified subsequently to net income		**108**	**77**
Actuarial gains and losses on defined benefit plans		108	77
Related income tax		-	-
TOTAL COMPREHENSIVE INCOME		**299,104**	**212,759**

6.1.2 Consolidated statement of financial position

Assets

(in thousands of euros)	Note	31 Dec. 2022	31 Dec. 2021
Intangible assets	7.1	3,637	4,664
Property, plant and equipment	7.2	2,976	3,369
Investment properties carried at fair value	5.1	5,784,937	5,846,327
Investment properties carried at cost	5.1	28,509	33,213
Investments in equity-accounted companies	7.3	75,548	50,309
Other non-current assets	7.4	70,330	19,539
Deferred tax assets	9.4	9,851	9,855
Non-current assets		**5,975,789**	**5,967,275**
Trade receivables	7.5	101,689	75,489
Other current assets	7.6	79,140	90,439
Cash and cash equivalents	7.7	356,707	238,268
Current assets		**537,536**	**404,196**
TOTAL ASSETS		**6,513,325**	**6,371,471**

Equity and liabilities

(in thousands of euros)	Note	31 Dec. 2022	31 Dec. 2021
Share capital		863,094	875,389
Additional paid-in capital		1,825,225	1,985,987
Treasury shares		(2,696)	(2,351)
Other comprehensive income		50,962	(28,469)
Consolidated retained earnings		545,755	352,177
Consolidated net income		219,329	192,121
Equity attributable to owners		**3,501,668**	**3,374,853**
Non-controlling interests		5,784	5,776
EQUITY	**7.8**	**3,507,453**	**3,380,629**
Non-current provisions	7.9	8,523	6,867
Non-current financial liabilities	6.2	2,534,492	2,384,895
Lease deposits and guarantees		80,782	79,812
Non-current tax and deferred tax liabilities	9.3 & 9.4	141,179	139,445
Other non-current liabilities		2	2
Non-current liabilities		**2,764,978**	**2,611,021**
Current financial liabilities	6.2	75,721	228,071
Bank facilities	6.2 & 7.7	20	82
Current provisions		87	1,039
Trade payables	7.10	19,721	20,984
Payables to suppliers of non-current assets	7.10	12,868	22,067
Accrued tax and payroll liabilities	7.11	47,044	54,179
Other current liabilities	7.11	85,433	53,399
Current liabilities		**240,894**	**379,821**
TOTAL EQUITY AND LIABILITIES		**6,513,325**	**6,371,471**

6.1.3 Consolidated statement of cash flows

(in thousands of euros)	Note	2022	2021
Consolidated net income		**219,673**	**192,336**
Elimination of income from equity-accounted companies	7.3	(4,954)	(3,068)
Elimination of depreciation, amortisation and provisions		7,402	493
Elimination of fair value adjustments	5.1 & 6.2.1	790	9,722
Elimination of capital gains and losses on disposals		3,598	(33)
Other non-cash income and expenses		3,055	8,599
Cash flow from operations after cost of net debt and tax		**229,563**	**208,049**
Elimination of tax expense (income)	9.1	2,460	(31,834)
Elimination of cost of net debt		64,353	61,946
Cash flow from operations before cost of net debt and tax		**296,376**	**238,161**
Change in operating working capital		22,224	18,293
Change in lease deposits and guarantees		542	3,572
Income tax paid		3,205	(2,168)
Net cash from operating activities		**322,347**	**257,858**
Change in payables on non-current assets		(9,174)	(85,321)
Acquisitions of investment properties	5.1	(88,762)	(64,584)
Acquisitions of other non-current assets		(15,860)	(454)
Change in loans and advances		(1,777)	(4,129)
Disposal of investment properties and other non-current assets		146,030	8,216
Dividends received		1,218	818
Net cash from (used in) investing activities		**31,675**	**(145,454)**
Corporate actions	7.8	(29,500)	(8,000)
Net sale (purchase) of treasury shares		(345)	190
Issuance of bonds		122	300,000
Increase in bank loans	6.2	380,000	-
Loan repayments	6.2	(379,748)	(324,833)
Change in marketable securities included in other current receivables		-	106
Interest paid		(64,321)	(59,596)
Interest received		2,162	1,039
Dividends and share premiums distributed to shareholders		(143,891)	(94,453)
Net cash used in financing activities		**(235,521)**	**(185,547)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**118,501**	**(73,143)**
Cash and cash equivalents at start of period		238,186	311,329
Cash and cash equivalents at end of period	7.7	356,687	238,186

6.1.4 Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Note	Share capital	Additional paid-in capital	Treasury shares	Other compre-hensive income	Consolidated retained earnings	Consoli-dated net income (loss)	Equity attributable to owners	Non-controlling interests	Total equity
BALANCE AT 31 DECEMBER 2020		**855,701**	**2,039,818**	**(2,541)**	**(48,892)**	**617,412**	**(198,755)**	**3,262,744**	**5,728**	**3,268,471**
Corporate actions		(3,272)	(4,728)					(8,000)		(8,000)
Share-based payments		22,960	25,065					48,025		48,025
Treasury share transactions				190		1,254		1,444		1,444
Dividend paid			(74,169)			(68,077)		(142,246)	(232)	(142,478)
Appropriation of 2020 net income						(198,755)	198,755	-		-
Net income for the year							**192,121**	**192,121**	**215**	**192,336**
Other comprehensive income reclassified to income					3,996			3,996		3,996
Change in fair value of other financial assets								-		-
Change in fair value of hedging instruments					16,350			16,350		16,350
Actuarial gains and losses on retirement benefits					77			77		77
Other comprehensive income					**20,423**			**20,423**	**-**	**20,423**
Other changes						343		343	65	408
BALANCE AT 31 DECEMBER 2021		**875,389**	**1,985,986**	**(2,351)**	**(28,469)**	**352,177**	**192,121**	**3,374,853**	**5,776**	**3,380,629**
Corporate actions	7.8	(12,295)	(17,204)					(29,499)		(29,499)
Share-based payments	12.3.2	-	-					-		-
Treasury share transactions	7.8.3			(345)		1,455		1,110		1,110
Dividend paid	1.3		(143,556)					(143,556)	(336)	(143,891)
Appropriation of 2021 net income						192,121	(192,121)			
Net income for the year							**219,329**	**219,329**	**344**	**219,673**
Other comprehensive income reclassified to income	6.4				4,992			4,992		4,992
Change in fair value of other financial assets								-		-
Change in fair value of hedging instruments	6.4				74,331			74,331		74,331
Actuarial gains and losses on retirement benefits	12.3.1				108			108		108
Other comprehensive income					**79,431**			**79,431**		**79,431**
Other changes			(1)			2		1		1
BALANCE AT 31 DECEMBER 2022		**863,094**	**1,825,225**	**(2,696)**	**50,962**	**545,755**	**219,328**	**3,501,668**	**5,784**	**3,507,453**

The "Corporate actions" line for 2021 reflects (i) the cancellation of 604,297 treasury shares under the share buyback programme launched on 6 September 2021, and (ii) the conversion of 112,611 B shares into 31,850 A shares as well as the creation of 144,647 D shares, in connection with the free preference share plan for key employees and corporate officers of the Group.

The "Corporate actions" line for 2022 reflects (i) the cancellation of 2,039,146 treasury shares under the share buyback programmes launched by the Company on 16 February 2022 and 24 March 2022, and (ii) the conversion of 139,306 C shares into 129,326 A shares in connection with free preference share plans for key employees and corporate officers of the Group.

6.1.5 Notes to consolidated financial statements

Note 1 Significant events of 2022

After a year defined by the health crisis in 2021, 2022 saw a gradual return to normal rental activity and financial performance. Carmila's shopping centres remained open throughout the year, in contrast to 2021, when they were closed for an average of 2.2 months due to government-ordered closures and lockdowns.

Carmila continued to see good leasing momentum, with 854 leases signed in 2022 in line with the portfolio's rental values.

Net rental income for 2022 was up 15.6% to €335.2 million, mainly due to the absence of major health measures in 2022 and to organic rental income growth of 4.2%, including a 3.2% positive indexation effect.

Of the total rent invoiced in 2022, 96.6% has been collected.

The value of the asset portfolio (including transfer taxes) stood at €6.2 billion at 31 December 2022. Exit capitalisation rates increased over the period, with an overall rate (net potential yield – NPY) of 6.37% at 31 December 2022. On a like-for-like basis, the value of the portfolio rose 1.0% versus 31 December 2021.

Carmila also optimised its debt in 2022, as described below in section 1.4.

Note 1.1 Investments

On 24 May 2022, Carmila announced the acquisition of Rosaleda, a shopping centre located in Malaga, Southern Spain, for €24.3 million including transfer taxes.

The centre, which is made up of 73 stores adjoining a Carrefour hypermarket, has a gross leasable area of 15,500 sq.m. and includes two larger stores (Decathlon and Lefties, an Inditex group fashion banner). With 5.8 million visitors each year, it benefits from a clear leading position in its catchment area, a leisure complex with a cinema and strong footfall. The purchase price offers Carmila significant scope for value creation.

Note 1.2 Disposals

On 30 June 2022, Carmila completed the sale of a portfolio of six assets located in France to a joint venture set up with Batipart and Atland Voisin.

The portfolio consists of six assets, all of which are located in France: Mondevillage, Meylan, Mont-Saint-Aignan, Nantes Saint-Herblain, Rambouillet and Saint-Jean-de-Vedas. The sale price of the portfolio is €150 million, including transfer taxes, in line with end-2021 appraisal values.

Carmila has retained a 20% minority stake in the joint venture and will continue to provide leasing and property services for the portfolio of assets. This minority stake has been accounted for using the equity method in the consolidated financial statements at 31 December 2022.

The transaction forms part of the target €200-million asset rotation programme for 2022 and 2023, announced at Carmila's Capital Markets Day in December 2021.

Note 1.3 Dividend

Acting on a proposal from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021. This dividend was paid in cash.

The total cash dividend paid to shareholders represented around €144 million and was paid on 25 May 2022.

Note 1.4 Debt and financing

On 21 July 2022, Carmila repaid its credit facility in an amount of €170 million and contracted a new floating-rate €550 million credit line with a five-year maturity. The new facility includes two one-year extension options and two sustainability criteria.

Carmila also cancelled the first tranche of its €270 million revolving credit facility. The outstanding revolving credit facility amounts to €540 million.

After putting in place a new €550 million term loan in November 2022, Carmila announced it was launching a buyback offer on its bonds maturing on 18 September 2023, of which €523 million remained outstanding. In total, €200.9 million worth of bonds were redeemed, with €322.1 million still outstanding.

Following these operations, the average maturity of Carmila's debt was 4.4 years at 31 December 2022 (4.3 years at 31 December 2021).

At 31 December 2022, the Group had six fixed-rate borrower swaps against three-month Euribor for a notional amount of €485 million. The swap covering the longest term expires in December 2031. This strategy is consistent with the Group's future borrowing plan.

Carmila also has two €200 million caps, respectively maturing in June 2023 and January 2026, and taken out in 2019 and 2022.

These instruments were contracted with blue-chip banks and hedge the future floating-rate interest payments of the Group's financing (the "highly probable" nature of this financing is demonstrated by the €550 million bank loan and commercial paper).

These hedging instruments are accounted for as cash flow hedges.

Note 2 Significant accounting policies

On 15 February 2023, the Board of Directors approved and authorised the publication of Carmila's consolidated financial statements for the period from 1 January to 31 December 2022. These financial statements will be submitted for approval to the Annual General Meeting on 11 May 2023.

Note 2.1 Presentation of the Group

The corporate purpose of the Carmila Group ("the Group" or "the Carmila Group") is to enhance the value of shopping centres adjoining Carrefour hypermarkets located in France, Spain and Italy.

At 31 December 2022, the Group employed 228 people, with 149 in France, 61 in Spain and 18 in Italy (not including apprentices). The Group owns a portfolio of 208 shopping centres and retail parks, mainly as a result of transactions carried out in 2014. In April 2014, Carmila acquired 126 sites in France, Spain and Italy from the Klépierre group and later in the year six shopping centres in France from Unibail-Rodamco. The same year, the Group received a contribution from the Carrefour group comprising 47 sites in France, along with various premises and an equity investment in Spain.

Carmila SA ("the Company"), which is the Group's parent company, is a real estate investment trust (SIIC) under French law. Its registered office is located at 58, Avenue Émile Zola, 92100 Boulogne-Billancourt in France.

Initially, the company Carmila SAS was incorporated by Carrefour SA on 4 December 2013 for the sole purpose of the operations described above, which took place in 2014. On 12 June 2017, the Company merged with Cardety SA, a listed company in Paris, and was renamed Carmila SA following the merger. Since that date, the Group's consolidated financial statements reflect this reverse acquisition.

Note 2.2 Shareholding, stock market listing and strategic partnership

Carmila's share capital is held by several of its long-term shareholders. At 31 December 2022, its largest shareholder is the Carrefour group, which holds 36.0% of Carmila's share capital and includes Carmila in its financial statements using the equity method. Carrefour is developing a strategic partnership with Carmila, aimed at revitalising and transforming shopping centres adjoining its hypermarkets in France, Spain and Italy. The remaining 64.0% of the share capital is mainly owned by long-term investors from major insurance companies or blue-chip financial players, including Predica (9.8% of Carmila's share capital), Cardif Assurance Vie (9.0%) and Sogecap (6%).

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

Note 2.3 Accounting standards

IFRS standards applied

The Carmila Group's consolidated financial statements at 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union at 31 December 2022, comprising the IFRS, the International Accounting Standards (IAS), as well as their interpretations (SIC and IFRS IC).

The European Union has adopted the following standards, interpretations and amendments, which are effective from 1 January 2022:

- amendments to IFRS 3 – Reference to the Conceptual Framework;
- amendments to IAS 37 – Onerous Contracts;
- amendments to IAS 16 – Proceeds before Intended Use;
- IFRIC March 2021 agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38);
- IFRIC November 2021 agenda decision – Economic Benefits from Use of a Windfarm;
- IFRIC February 2022 agenda decision – TLTRO III Transactions;
- IFRIC March 2022 agenda decision – Demand Deposits with Restrictions on Use;
- IFRIC April 2022 agenda decision – Principal versus Agent: Software Reseller.

These amendments did not have a material impact on the consolidated financial statements at 31 December 2022.

No standards were adopted by the Group ahead of their effective date.

Note 2.4 Principal estimates and judgements by management

Preparation of the consolidated financial statements involves the use of judgement, estimates and assumptions by Group management. These may affect the carrying amount of certain assets and liabilities, income and expenses, as well as information provided in the notes to the financial statements. Group management reviews its estimates and assumptions regularly in order to ensure their relevance in light of past experience and the current economic situation. Depending on changes in these assumptions, items appearing in future financial statements may be different from current estimates.

The main judgements and estimates used by management to prepare the financial statements relate to:

- **measurement of the fair value of investment property** (see Note 5 "Investment properties"). The Group has its property assets appraised every six months by independent appraisers according to the methods described in Note 5. The appraisers use assumptions for future cash flows and rates which have a direct impact on property values;
- **measurement of financial instruments**. The Group measures the fair value of the financial instruments that it uses in accordance with standard models and market practices and with IFRS 13;
- **provisions for contingencies and charges and other provisions related to operations** (see Note 7.9 "Provisions");
- **the assumptions used to calculate and recognise deferred taxes** (see Note 9 "Income tax").
- **The costs of Carmila CSR commitments** are mainly included in maintenance CAPEX which is reflected in the fair value of investment property.

Note 2.5 Other principles applied in presenting the consolidated financial statements

Note 2.5.1 Translation of foreign companies' financial statements

The Group's financial statements are presented in thousands of euros, unless otherwise specified. Rounding differences may give rise to minor differences between statements.

An entity's functional currency is the main currency in which it conducts its business. All entities within the Group's scope of consolidation are in the eurozone and use the euro as their functional currency.

Note 2.5.2 Translation of foreign currency transactions

When a Group entity carries out transactions in a currency other than its functional currency, they are initially translated at the rate prevailing on the date of the transaction. At the end of the reporting period, monetary financial assets and liabilities denominated in foreign currencies are translated into euros at the closing rate of the currency concerned, with any foreign exchange gains or losses taken to income.

Note 2.5.3 Transactions eliminated from the consolidated financial statements

Items recorded on the statement of financial position and income or expenses resulting from intra-Group transactions are eliminated when preparing the consolidated financial statements.

Note 2.5.4 Classification in the statement of financial position

Assets expected to be realised, consumed or sold over the normal operating cycle or in the 12 months following the end of the financial period are classified as "current assets", as are assets held for sale and cash and cash equivalents. All other assets are classified as "non-current assets".

Liabilities which the Group expects to settle over the normal operating cycle or in the 12 months following the end of the financial period are classified as "current liabilities".

The Group's normal operating cycle is 12 months.

Deferred taxes are always shown as non-current assets or liabilities.

Note 2.5.5 Classification in the statement of income

The Group has opted to present its proportionate share in the earnings of its equity-accounted companies within operating income, as the business of these companies is similar to that of the Group.

Note 3 Consolidation scope and methods

Note 3.1 Consolidation scope and methods

CONSOLIDATION METHODS

Determination of control

The consolidation method is determined in accordance with the control exercised, as defined by IFRS 10 – *Consolidated Financial Statements*.

Exclusive control: fully consolidated

Subsidiaries are companies controlled by the Group. An investor controls an entity when it exercises power over the entity's relevant activities, is exposed or entitled to variable returns from its involvement with the entity, and has the ability to use its power to affect the amount of its returns. The Group has power over an entity when its existing rights give it the current ability to direct the relevant activities, i.e., activities that significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date of effective transfer of control up until such time as that control ceases to exist.

Joint control and significant influence: equity method

Joint control means the contractually-agreed sharing of control over an entity, which exists only where decisions about the relevant activities require the unanimous consent of the parties sharing control. In accordance with IFRS 11 – *Joint Arrangements*, interests in partnerships can be classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e., joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations entail the recognition by each joint operator of the assets over which it has rights, liabilities for which it has obligations, and income and expenses related to its interest in the joint operation. Carmila has no joint operations.

Joint ventures are arrangements whereby the parties (i.e., joint venturers) only have rights over the joint venture's net assets. Joint ventures are accounted for by the equity method.

Significant influence is presumed to exist when the percentage of voting rights held is 20% or more. All equity interests, regardless of the percentage held, are analysed to determine whether the Company exerts a significant influence.

The Group's investments in associates and joint ventures are initially recognised at cost, plus or minus any changes in the percentage of the net assets of the associate after the acquisition. Goodwill related to an associate is included as part of the carrying amount of the investment.

For jointly controlled companies or companies over which the Group has significant influence, the share of income for the period is shown within "Share in net income of associates". On the statement of financial position, these equity investments are presented within "Investments in associates".

The financial statements of associates cover the same period as that of the Group, and are adjusted, where appropriate, to ensure compliance with the Group's accounting policies.

Information on equity investments in associates is presented pursuant to IFRS 12 – Disclosure of Interests in Other Entities.

Business combinations/acquisitions of assets

To determine whether a transaction is a business combination, the Group considers, in particular, whether a portfolio of activities is acquired in addition to the real estate assets. If securities are purchased in a company whose sole purpose is the holding of investment property, and in the absence of any other ancillary services (asset-related contracts, personnel, know-how), the acquisition is recognised as an acquisition of assets in accordance with paragraph 2(b) of IFRS 3 – Business Combinations.

Note 3.2 Main changes in the scope of consolidation in 2022

On 30 June 2022, Carmila completed the sale of a portfolio of six assets located in France to Magniraya, a joint venture set up with Batipart and Atland Voisin.

Carmila has retained a 20% minority stake in the joint venture and will continue to provide leasing and property services for the portfolio of assets. This minority stake has been accounted for using the equity method in the consolidated financial statements at 31 December 2022.

Note 3.3 Description of the main partnerships

Note 3.3.1 As Cancelas – Spain

The shares and voting rights in the Spanish company As Cancelas are held equally by Carmila and its partner, Grupo Realia. All resolutions are adopted by a 50.0% majority.

Property management, marketing and management of the centre are handled by the Group, with administration provided by Grupo Realia. Carmila considers this to be joint control, and the company is therefore consolidated under the equity method.

Note 3.3.2 Magnirayas – France

Carmila holds 20% of the shares and voting rights of the French company Magnirayas. The other partners are Batipart and Atland Voisin. Most decisions are adopted by a 50.0% majority. Some decisions require unanimity of the members of the Strategy Committee Unanimous decisions grant protective rights to Carmila without giving it the power to direct or co-direct the relevant activities. This provision does not in any way confer sole control over any decision regarding the relevant activities. Unanimous decisions concern fundamental changes to Magnirayas.

Carmila will continue to provide property management and leasing services, while Batipart will be responsible for portfolio management. As Carmila considers that this gives it significant influence, the company is therefore accounted for using the equity method.

Note 3.3.3 HDDB Holding – France

Carmila Retail Development (CRD) holds a 30% stake in HDDB Holding. The remainder is held by DMVB Holding. HDDB Holding develops and operates businesses selling electronic cigarettes, e-liquid and all e-cigarette accessories.

Based on majority rules (including for key decisions), CRD does not have sole control of the company. However, given its shareholding and involvement in the Committee, notably in key decisions regarding the relevant activities, it participates in HDDB Holding's financial and operating policy decisions. Accordingly, it exercises significant influence over the company.

Note 4 Segment reporting

Note 4.1 Definition of operating segments and indicators used

The Group's Executive Committee has been identified as the "chief operating decision-maker" pursuant to IFRS 8 – *Operating Segments*. The operating segments that have been identified by the Executive Committee are the three countries in which the Group operates:

- France;
- Spain;
- Italy.

The Group uses the following indicators to measure its performance and activity:

- gross rental income;
- net rental income by operating segment;
- recurring and non-recurring operating income.

The Group defines recurring operating income as operating income before changes in the fair value of investment properties and adjusted for non-recurring income and expenses such as:

- gains and losses on disposals of investment properties;
- any other non-recurring income or expense.

Overhead expenses for each segment represent the expenses directly incurred by that operating segment. Shared overhead expenses that are borne by the France segment are rebilled to the other operating segments on a pro rata basis depending on the services rendered.

The Executive Committee also reviews changes in the fair value of investment properties by segment when this information is available (twice per year).

Over the two periods presented, no individual tenant represented more than 5% of the Group's gross rental income.

Note 4.2 Operating income by operating segment

	France		Spain		Italy		Total	
(in thousands of euros)	2022	2021	2022	2021	2022	2021	2022	2021
Gross rental income	**243,505**	**241,992**	**90,486**	**86,931**	**22,975**	**22,867**	**356,966**	**351,790**
Real estate expenses	(2,791)	(5,470)	(1,037)	(1,326)	(915)	(873)	(4,743)	(7,669)
Non-recoverable service charges	(5,838)	(5,444)	(5,624)	(3,702)	(554)	(479)	(12,016)	(9,625)
Property expenses (landlord)	(3,254)	(34,776)	(1,281)	(8,132)	(477)	(1,674)	(5,012)	(44,582)
Net rental income	**231,622**	**196,302**	**82,544**	**73,771**	**21,029**	**19,841**	**335,195**	**289,914**
Overhead expenses	(37,374)	(37,050)	(11,733)	(11,740)	(2,655)	(2,977)	(51,762)	(51,767)
Income from property management, administration and other activities	*9,733*	*9,608*	*1,309*	*1,241*	*662*	*656*	*11,704*	*11,505*
Other income	*7,528*	*3,199*	*16*	*7*	*139*	*116*	*7,683*	*3,322*
Payroll expenses	*(23,137)*	*(22,217)*	*(5,413)*	*(5,016)*	*(1,501)*	*(1,396)*	*(30,051)*	*(28,629)*
Other external expenses	*(31,498)*	*(27,640)*	*(7,645)*	*(7,972)*	*(1,955)*	*(2,353)*	*(41,098)*	*(37,965)*
Additions to depreciation and amortisation of property, plant and equipment and intangible assets, and provisions	(2,503)	(1,354)	646	(255)	(334)	364	(2,191)	(1,245)
Other recurring operating income and expense	7,796	(1,079)	1	(46)	-	-	7,797	(1,125)
RECURRING OPERATING INCOME	**199,541**	**156,819**	**71,458**	**61,730**	**18,040**	**17,228**	**289,039**	**235,777**
Gains and losses on disposals of investment properties and equity investments sold	(2,706)	38	-	-	-	-	(2,706)	38
Gains and losses on disposals of property, plant and equipment and intangible assets	(330)	-	-	-	-	-	(330)	
Change in fair value adjustments	(12,791)	(4,714)	31,593	1,797	(11,924)	(1,757)	6,878	(4,674)
Increase in fair value of property	*48,948*	*52,753*	*48,863*	*15,950*	*-*	*387*	*97,811*	*69,090*
Decrease in fair value of property	*(61,739)*	*(57,467)*	*(17,270)*	*(14,153)*	*(11,924)*	*(2,144)*	*(90,933)*	*(73,764)*
Share in net income (loss) of equity-accounted companies	1,235	-	3,411	3,097	309	(29)	4,954	3,068
OPERATING INCOME	**184,949**	**152,143**	**106,462**	**66,624**	**6,425**	**15,442**	**297,835**	**234,209**

Note 4.3 Breakdown of investment properties by operating segment

The value of investment properties by country is presented separately whether it relates to assets at fair value or assets at cost.

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Investment properties carried at fair value	**5,784,937**	**5,846,327**
France	4,110,820	4,224,326
Spain	1,332,596	1,274,065
Italy	341,521	347,936
Investment properties carried at cost	**28,509**	**33,213**
France	27,831	32,645
Spain	634	-
Italy	44	568
TOTAL	**5,813,446**	**5,879,540**

At 31 December 2022, in terms of asset value, 71.1% of the Group's investment properties were located in France (compared to 72.3% at 31 December 2021), 23.0% in Spain (compared to 21.8% at 31 December 2021) and 5.9% in Italy (compared to 6.0% at 31 December 2021).

Note 4.4 Breakdown of capital expenditure by operating segment

Spending on investment properties broken down by country is disclosed separately for acquisitions, developments and extensions, or for investments in the portfolio on a like-for-like basis.

	France		Spain		Italy		Total	
(in thousands of euros)	2022	2021	2022	2021	2022	2021	2022	2021
Acquisitions	**2,641**	**26,277**	**26,759**	**0**	**0**	**673**	**29,400**	**26,950**
Developments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Like-for-like capital expenditure	**45,715**	**29,772**	**9,271**	**6,661**	**4,376**	**1,201**	**59,362**	**37,634**
Extensions	14,919	4,320	0	0	3,433	399	18,352	4,719
Restructuring	15,459	10,300	0	0	0	0	15,459	10,300
Lease incentives	8,896	8,065	3,806	2,708	0	0	12,702	10,773
Renovations	(436)	3,781	4,093	3,074	559	291	4,216	7,146
Maintenance Capex	6,877	3,306	1,372	879	384	511	8,633	4,696
TOTAL CAPITAL EXPENDITURE	**48,356**	**56,049**	**36,030**	**6,661**	**4,376**	**1,874**	**88,762**	**64,584**

The "Acquisitions" caption chiefly relates to the acquisition of the Rosaleda shopping centre in Malaga (€24.6 million) and of units in Labège(€1.2 million).

The "Extensions" line concerns downpayments on off-plan sales, mainly Angoulins (€3.5 million), Toulouse Purpan (€3.3 million), Francheville (€2.3 million), Langueux (€1.3 million), Nevers (€1.2 million), Vannes (€1.2 million) and Mably (€1.1 million).

"Restructuring" mainly concerns the shopping centres at Flins (€2.7 million) as part of the planned Brico Dépôt restructuring, and Laval (€1.0 million) as part of the project to restructure the shopping arcade.

Like-for-like capital expenditure chiefly relates to assets being redeveloped where renovation and modernisation works are being carried out and existing parts of centres are upgraded in order to optimise value creation. The most important projects included in this item are Labège (€1.3 million), Laval (€1.1 million) and Calais-Coquelles (€1.0 million). The negative amount shown for "Renovations" is attributable to re-adjustments of provisions relating to previous renovation plans. Like-for-like capital expenditure also includes rent relief granted to tenants.

Note 5 Investment properties

ACCOUNTING POLICIES

Method adopted: fair value

An investment property is a property that is held for the purpose of earning rental income or for capital appreciation, or both. The Group views shopping centres as investment properties. In accordance with one of the methods proposed by IAS 40 and the recommendations of the European Public Real Estate Association (EPRA), investment properties are initially recognised and valued individually at cost and then subsequently at fair value.

Fair value excludes transfer taxes and costs (taxes are measured on the basis of a direct disposal of the asset, even though these costs may sometimes be reduced if the disposal is performed through a share deal involving the company holding the related asset).

Under IFRS 13, fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an arm's-length transaction between market operators on the valuation date.

There are no restrictions on the Group's ability to realise its investment property, or to recover income from leasing or selling them.

Cost of investment property – general remarks

The acquisition costs of an investment property are capitalised as part of the value of the investment property.

During the life of the property, expenses such as building works, leasing costs and other internal project development costs are also capitalised.

In addition, lease right ownership or commercial rights for common areas for the Specialty Leasing business (leasing of high-footfall shopping centre spaces for short periods of time) are taken into account in the appraisers' valuations, and are therefore included as part of the value of the asset shown in the consolidated financial statements.

Eviction compensation paid to the tenant upon termination of a lease still in force is recognised as follows:

- restructuring of a site: if compensation is paid in connection with a property renovation project, the compensation is included in the cost price of the work performed;
- replacement of a tenant: if compensation is paid to increase the rent compared to that paid by the previous tenant and thereby increase the asset's value, this expense is included in the cost of the asset. Otherwise, it is booked as an expense.

Cost of investment property under construction

Capitalised expenditure relating to investment properties under construction (including extensions) includes the cost of works, the cost of loans directly attributable to the acquisition, construction or production of the asset, when necessary in order to use the asset, as well as costs related to leasing the retail space for the first time.

Capitalised borrowing costs are determined by applying the Group's weighted average cost of borrowing for the related country to the average outstanding amount of construction work done, or, where applicable, based on the financial costs paid for specific borrowings. Capitalisation of interest ceases when the asset under construction enters into service.

Investment properties under construction may be measured at fair value. If the fair value cannot be reliably determined, these projects will continue to be valued at cost, until their fair value can be reliably determined. As with the other assets carried at fair value, they are also measured at market value by an independent appraiser.

The Group believes that a development project's fair value can be reliably determined if the following three conditions are simultaneously met:

- all necessary administrative permits required for the extension have been obtained;
- the construction contract has been signed and the works have begun; and
- there is no longer uncertainty regarding the amount of future rents.

The project margin is then recognised (IPUC) on the "Investment properties at fair value" line.

Appraisal method

Fair value is calculated using the measurement rules set out in IFRS 13; given the complexity of property asset valuation and the nature of certain inputs that cannot be observed on the market (including rate of growth in rents, capitalisation rate, etc.), the fair values have been categorised as Level 3 of the fair value hierarchy defined by the standard based on the type of inputs used for valuation.

The entire portfolio is reviewed by independent appraisers who are rotated every three years. The fair values used are determined by reference to the opinions of these independent appraisers, who value the Group's assets at the end of every half-year. The assets are inspected during these appraisals. The appraisals comply with the guidance contained in the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors ("Red Book"). In order to conduct their work, the appraisers have access to all the information required for valuation of the assets, and specifically the rent roll, the vacancy rate, rental arrangements and the main performance indicators for tenants (retailer sales).

They independently establish their current and future cash flow estimates by applying risk factors either to the net income capitalisation rate or to future cash flows.

On the basis of the data provided, two methods are used to value assets:

Income capitalisation method

This method applies a yield to the total triple-net revenue.

For rented units, the total triple-net revenue is determined on the basis of the rents indicated in the rental base, less any non-recoverable charges. For vacant premises, a market rent is used that takes into account an appropriate vacancy period.

The yield used is that adopted in the property market for a comparable property, and, in particular, reflects the retail space as well as specific factors such as location, access, visibility, retail competition, form of ownership of the centre (full ownership, joint ownership, etc.), rental and extension potential, and recent transactions involving the same type of asset.

From this value, the total net present value of the rentals plus any benefits granted to tenants, all vacancy costs on empty premises and any other non-recurring costs or works are then deducted.

Discounted cash flow method

Under this method, a property's discounted value is equal to the total future net revenue available over a given timeframe (generally 10 years). The net revenue available for each year is calculated in the same way as the net revenue defined in the capitalisation method, to which are added non-recurring expenses (works, step rents, and other) indexed over time. A resale value is calculated for the property, based on the last indexed rent as of the resale date, less any related expenses, to which a yield is applied.

The discount rate used is a risk-free rate (the 10-year yield on French government bonds), increased by property market risk and liquidity premium as well as asset-specific premiums (based on the nature of the property, rental risk and obsolescence premium).

The appraisers appointed by Carmila are as follows:

- Cushman & Wakefield and Catella in France;
- Cushman & Wakefield and Catella in Spain;
- BNP Paribas Real Estate in Italy.

They use one or more of the above methods. Cushman & Wakefield primarily uses the discounted cash flow method, while Catella systematically uses an average of the two methods.

The fees paid to appraisers, agreed prior to their valuation of the properties concerned, are determined on a flat-rate basis depending on the number of retail units and complexity of the appraised assets. The fees are entirely independent from the valuation of the assets. During the 2022 appraisal campaign, fees paid to appraisers were as follows:

(in thousands of euros)	2022 appraisal fees
Cushman & Wakefield	183
Catella	183
BNP Paribas Real Estate	26
TOTAL	**393**

The valuations carried out by the independent appraisers are reviewed internally by the relevant department as well as by competent individuals within each operational division. This process includes discussions regarding the assumptions used by the independent appraisers, as well as a review of the results of the valuations. Reviews of the valuation process occur every six months and involve the investment department and the independent appraisers.

The difference between the fair value determined at the end and beginning of the reporting period plus any works and expenses capitalised in the year is recorded in income.

Property under construction valued at cost is tested for impairment as determined by comparison with the project's recoverable amount. The project's recoverable amount is measured internally by the Development teams, on the basis of a capitalisation rate, the expected net rents at the end of the project, and the budgeted development costs. Impairment is recognised if the recoverable amount is less than the carrying amount.

Investment properties valued at cost are tested for impairment at 30 June and 31 December of each year, and whenever there is an indication of a loss in value. When such an indication exists, the revised recoverable amount is compared to the carrying amount and impairment recognised where appropriate.

Leases (lessee accounting)

When signing long-term lease agreements for property assets in particular, the Group analyses contractual provisions to determine whether the agreement is an operating lease or a finance lease, i.e., an agreement which effectively transfers to the lessee virtually all of the inherent risks and rewards inherent to the property's ownership. When a property complex is leased, the land and building are analysed separately.

The first-time application of IFRS 16 at 1 January 2019 resulted in the elimination of the distinction that was previously made between finance leases and operating leases. This led to the recognition on Carmila's statement of financial position of a right-of-use asset and a corresponding lease liability relating to ground leases (see Note 2.3 "Accounting standards"). Guaranteed future incoming lease payments are discounted. Assets are depreciated over the same period as property, plant and equipment that the Group owns or over the term of the lease where this is shorter than the useful life of the properties. Lease payments are allocated between financial expenses and amortisation of the debt.

Investment properties held for sale

Assets for which there is sale commitment or sale mandate whose divestment has been approved by the Investment Committee are presented on a separate line of the statement of financial position at their last appraisal value, in accordance with the provisions of IFRS 5 – Non-current Assets Held for Sale.

Leases (lessor accounting)

See Note 8.1 "Net rental income".

Gains and losses on disposal

Disposal gains are determined as the difference between the proceeds from the sale and the carrying amount of the property asset at the start of the period, adjusted for investment expenditure over the period.

Note 5.1 Details of investment properties carried at fair value and at cost

(in thousands of euros)	
Investment properties carried at fair value – 31 Dec. 2020	**5,717,046**
Acquisitions	26,950
Investments	37,143
Capitalised interest	491
Disposals and removals from the scope of consolidation	(8,208)
Other movements and reclassifications	77,064
Change in accounting method	515
Change in fair value	(4,674)
Investment properties carried at fair value – 31 Dec. 2021	**5,846,327**
Acquisitions	29,400
Investments	59,362
Disposals and removals from the scope of consolidation	(148,946)
Other movements and reclassifications	-1,661
Application of IFRS 16	366
Change in fair value	89
Investment properties carried at fair value – 31 Dec. 2022	**5,784,937**

(in thousands of euros)	
Investment properties carried at cost – 31 Dec. 2020	**100,010**
Other movements and reclassifications	(66,797)
Investment properties carried at cost – 31 Dec. 2021	**33,213**
Other movements and reclassifications	(4,704)
Investment properties carried at cost – 31 Dec. 2022	**28,509**

Note 5.1.1 Investment properties carried at fair value

"Investments" primarily comprise investments made on a like-for-like basis and restructuring work valued by the appraisers.

The "Other movements and reclassifications" caption shows the net balance of assets brought into service during the period, and the reconciliation of assets measured at cost at 31 December 2022 with their measurement at fair value.

"Change in fair value" records gains and losses on the value of assets during the reporting period and recognised in the income statement, based on the valuations made by independent appraisers. Changes in fair value are analysed by country in Note 5.2 "Valuation assumptions and sensitivity analysis".

Note 5.1.2 Investment properties carried at cost

The "Other movements and reclassifications" caption shows the change resulting from properties previously carried at cost and now measured at fair value.

At 31 December 2022, no indication of a loss in value was identified for investment properties valued at cost.

The reconciliation of investments broken down by country (Note 4.4 "Breakdown of capital expenditure by operating segment") with the above data is as follows:

(in thousands of euros)		2022
Investment properties carried at fair value – Acquisitions	5.1	29,400
Investment properties carried at cost – Acquisitions	5.1	0
TOTAL ACQUISITIONS AND CHANGES IN SCOPE OF CONSOLIDATION		**29,400**
TOTAL ACQUISITIONS – INVESTMENTS BY COUNTRY	**4.4**	**29,400**

(in thousands of euros)		2022
Investment properties carried at fair value – Investments	5.1	59,362
Investment properties carried at fair value – Capitalised interest	5.1	0
Investment properties carried at cost – Investments	5.1	0
Investment properties carried at cost – Capitalised interest	5.1	0
TOTAL INVESTMENTS AND CAPITALISED INTEREST		**59,362**
Developments	4.4	18,352
Like for like investments	4.4	41,010
TOTAL ACQUISITIONS – DEVELOPMENTS AND EXTENSIONS AND LIKE-FOR-LIKE PORTFOLIO	**4.4**	**59,362**

Note 5.2 Valuation assumptions and sensitivity analysis

At 31 December 2022, appraisers reviewed the value of all of the Group's assets carried at fair value.

The table below presents the data used to determine the fair value of investment properties:

31 Dec. 2022 – Weighted average	Yield	Rent in € per sq.m.(1)	Discount rate(2)	Exit rate(3)	CAGR of NRI(4)
France	5.8%	268	6.8%	6.1%	2.0%
Spain	7.0%	232	10.1%	6.7%	2.4%
Italy	6.5%	285	8.0%	6.6%	2.0%

"Yield" corresponds to the Net Initial Yield.
(1) The rent is an annual average rent equal to minimum guaranteed rent plus variable rents per asset and per occupied sq.m.
(2) Rate used by appraisers to calculate the present value of future cash flows using the DCF method (discount rate).
(3) Rate used by appraisers to capitalise revenues in the exit year in order to calculate the exit value of the asset (exit yield).
(4) Average annual 10-year NRI growth rate used by the appraisers.

These data represent a slight increase when compared to 31 December 2021.

31 Dec. 2021 – Weighted average	Yield	Rent in € per sq.m.(1)	Discount rate(2)	Exit rate(3)	CAGR of NRI(4)
France	5.6%	257	6.2%	6.0%	1.6%
Spain	6.7%	222	9.4%	6.6%	1.8%
Italy	6.0%	291	7.4%	6.4%	1.7%

The table below summarises the impact by country of the change in the fair value of investment properties in the statement of income:

	France		Spain		Italy		TOTAL	
(in thousands of euros)	2022	2021	2022	2021	2022	2021	2022	2021
Change in fair value adjustments	(12,791)	(4,714)	31,593	1,797	(11,924)	(1,757)	6,878	(4,674)
Increase in fair value of property	48,948	52,753	48,863	15,950	-	387	97,811	69,090
Decrease in fair value of property	(61,739)	(57,467)	(17,270)	(14,153)	(11,924)	(2,144)	(90,933)	(73,764)

The impacts of the change in the fair value in the statement of income include €6.8 million in income recognised in connection with the earn-out adjustment in Spain.

Based on the value of the assets including estimated transfer taxes and duties, the average yield on the assets rose to 6.37% at 31 December 2022 (compared to 6.18% at 31 December 2021).

All else being equal, a 15 basis-point increase in yields would result in a decrease in the value of the total portfolio, including transfer taxes and duties (excluding assets under development or equity-accounted and excluding the effect of changes in rents resulting from the decrease in yield) of €140.5 million (2.4%). A 25 basis-point increase in yields would reduce the value of the portfolio by €230.6 million (3.9%). A 50 basis-point increase in yields would reduce the value of the portfolio by €444.4 million (or 7.8%).

Note 5.3 Investment properties held for sale

At 31 December 2022, there were no investment properties held for sale.

Note 6 Financing and financial instruments

ACCOUNTING POLICIES

Loans and other financial liabilities are carried at amortised cost calculated in accordance with the effective interest rate method.

Bond redemption premiums and issuance costs are recorded as a deduction from the nominal amount of the borrowings concerned and are accounted for at amortised cost, thereby increasing the nominal interest rate.

The Carmila Group's hedging policy aims to secure the cash flows it needs based on its financing requirements in euros. IFRS 9 – Financial Instruments, defines three types of hedging relationships:

- fair value hedging: a hedge of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (or an identified portion of such an asset, liability or firm commitment), which is attributable to a specific risk and could affect earnings;
- cash flow hedging: a hedge against exposure to changes in cash flow that: (i) is attributable to a specific risk associated with a recognised asset or liability (such as all or part of future interest payments on floating-rate debt), or a highly probable forecast transaction, and (ii) could affect earnings;
- hedging of a net investment in a foreign operation, as defined in IAS 21 – Effects of Changes in Foreign Exchange Rates.

In Carmila's case, all interest rate derivatives in the portfolio are documented as cash flow hedges except for one residual cost recognised at fair value with changes in fair value taken to the statement of income.

The use of cash flow hedge accounting has the following consequences: at the end of the reporting period, interest rate derivatives (swaps) are recognised at fair value on the statement of financial position, with any changes in fair value attributable to the effective portion of the hedge recognised directly in other comprehensive income (OCI), and the ineffective portion though the statement of comprehensive income. The amount recognised in "Other comprehensive income" is subsequently recognised in income in a symmetrical manner to the interest hedged.

Carmila uses the dollar offset method for measuring hedge effectiveness.

Method for determining the fair value of financial instruments

The market values of interest rate instruments are determined based on market-recognised valuation models or by reference to prices from third-party financial institutions.

The values estimated by valuation models are based on the discounted cash flow method for futures contracts and on the Black-Scholes models for options. These models use inputs based on market data (yield curves and exchange rates) obtained from recognised financial-data providers.

The assessment of fair value for derivative financial instruments includes a "counterparty risk" component for derivatives with a positive fair value, and an "intrinsic credit risk" component for derivatives with a negative fair value. Counterparty risk is calculated using the "Expected-loss" method, which takes default risk exposure into account as well as the likelihood of default and the loss rate in the event of default. The probability of default is determined based on available market data for each counterparty ("implied CDS default probability").

The fair value of long-term debt is estimated according to the market value of bonds or the present value of all future cash flows discounted in accordance with market conditions for a similar instrument (in terms of currency, maturity, interest rate type and other factors).

Application of IFRS 9 for renegotiated debt terms

Carmila's main financing includes a bank loan for a nominal amount of €770 million. The loan was taken out in 2013 and has been renegotiated several times since. Successive renegotiations did not make any substantial modifications to the initial contract as defined under IFRS 9.

During successive negotiations, the maturity of the debt was extended to 2024. No other terms of the loan were changed.

In 2022, this amount is in addition to the expense relating to spreading the impact of resetting the original effective interest rate on debt over several reporting periods (€488 thousand), recognised in other financial expenses.

In July 2022, this loan was repaid in full. As a result, the residual balance of the expense resulting from recognising this impact over several reporting periods was written back to income for an amount of €1,112 thousand.

The total impact amounts to €1,600 thousand.

Note 6.1 Net financial expense

Note 6.1.1 Cost of net debt

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Financial income	**2,162**	**1,039**
Interest on Group current account	778	421
Financial income on cash equivalents	1,053	575
Other financial income	331	43
Financial expenses	**(66,514)**	**(62,985)**
Interest expense on bonds	(46,488)	(45,081)
Interest expense on borrowings from lending institutions	(5,555)	(1,536)
Capitalised interest expense	-	491
Deferral of costs, bond redemption premiums and swap balancing payments	(11,030)	(10,699)
Interest expense on swaps	(2,208)	(5,184)
Interest on Group current-account	(977)	(976)
Other financial expenses	(256)	-
COST OF NET DEBT	**(64,352)**	**(61,946)**

The cost of net debt was €64.4 million at 31 December 2022, up by €2.4 million from the previous year. The cost of net debt mainly reflects the €1.8 million increase in interest expense and €0.6 million in non-recurring and non-cash expenses.

The change in interest expense can be analysed as follows:

- a rise of €1.4 million in interest expense on bonds (new €300 million bond issue in March 2021);
- a rise of €4 million in interest expenses on bank loans due to higher interest rates and the new €550 million term loan put in place in July 2022;
- an increase partly offset by a €3.1 million decrease in interest expense on hedging instruments;
- an increase of €0.5 million in miscellaneous financial interest expense.

The change in non-recurring and non-cash expenses can be analysed as follows:

- a €1 million increase in the financial instrument cancellation costs recognised over several reporting periods, following the cancellation of two swaps at the end of 2021;
- a €0.8 million decrease in amortisation of issuance premiums and costs;
- interest income from capitalised financial expenses decreased by €0.4 million due to the delivery of the Nice Lingostière extension.

Note 6.1.2 Other financial income and expenses

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Other financial income	**3,320**	**874**
Financial income from investments	222	58
Change in value of financial instruments	2,645	-
Other financial income	453	816
Other financial expenses	**(14,671)**	**(12,635)**
Commitment fees on undrawn credit lines	(2,779)	(2,451)
Deferral of resetting EIR at initial rate (IFRS 9)	(1,600)	(7,923)
Change in value of financial instruments	(2,676)	(1,111)
Other financial expenses	(7,616)	(1,150)
OTHER FINANCIAL INCOME AND EXPENSES	**(11,351)**	**(11,761)**

There was slight change in this caption over the year, attributable to the factors described below:

- Other financial income rose by €2.5 million and at 31 December 2022 mainly consists of a €2.6 million income related to the unwinding of a swap.
- Other financial expenses chiefly relate to:
  - commitment fees for undrawn credit lines amounting to €2.8 million;
  - the recognised portion of the IFRS 9 impact of resetting the debt at its original effective interest rate (spread over several reporting periods) for €1.6 million;
  - changes in credit risk on derivatives representing €2.7 million;
  - other financial expenses for €7.6 million, including €5 million in financial provisions for impairment of receivables related to equity investments.

Note 6.2 Current and non-current financial liabilities

On 13 July 2022, S&P confirmed Carmila's BBB rating with a "stable" outlook.

At 31 December 2022, the interest coverage ratio was 4.5x, the Loan-to-Value ratio stood at 35.8% and the average debt maturity at 4.4 years. At 31 December 2021, the interest coverage ratio was 3.9x, the Loan-to-Value ratio stood at 37.4% and the average debt maturity at 4.3 years.

Note 6.2.1 Change in debt

(in thousands of euros)	31 Dec. 2021	Change	Issuance	Redem-ptions	Reclassi-fications	Other movements	Fair value adjustment	31 Dec. 2022
Non-current financial liabilities	**2,351,160**	**4,843**	**376,678**	**(223,862)**	**9,210**	**122**	**(17,700)**	**2,500,451**
Bonds	2,190,977	-	-	(229,900)	-	122	-	1,961,200
Bond issuance premiums	(7,301)	-	-	2,463	-	-	-	(4,837)
Bank borrowings	170,000	-	380,000	-	2	-	-	550,000
Impact of resetting effective interest rate	(621)				621			-
Loan and bond issuance fees	(9,295)	-	(3,322)	3,575	-	-	-	(9,042)
Derivative instruments with a negative fair value	7,401	4,843	-	-	8,587	-	(17,700)	3,131
Current financial liabilities	**226,170**	**5,428**	**276,600**	**(425,000)**	**(9,210)**	**-**	**233**	**74,221**
Bank borrowings		-	-	-		-	-	-
Impact of resetting effective interest rate	(977)		1,600		(623)	-	-	-
Accrued interest on loans	21,842	1,941	-	-	-	-	-	23,783
Other borrowings and debt	200,000	-	275,000	(425,000)	-	-	-	50,000
Derivative instruments with a negative fair value	5,223	3,549	-	-	(8,587)	-	233	418
Bank facilities	82	(62)	-	-	-	-	-	20
Other IFRS 16 financial liabilities	**35,718**	**-**	**-**	**(2,311)**	**-**	**2,154**	**-**	**35,561**
Other IFRS 16 financial liabilities – non-current	33,735	-	-	(2,311)	463	2,154	-	34,041
Other IFRS 16 financial liabilities – current	1,983			-	(463)			1,520
GROSS DEBT	**2,613,048**	**10,271**	**653,278**	**(651,173)**	**-**	**2,276**	**(17,467)**	**2,610,233**

Note 6.2.2 Principal Group financing

(in thousands of euros)	Borrower	Currency of Issue	Interest rate	Final maturity date	Repayment profile	Amount at inception	Amount drawn at 31 Dec. 2022
Bonds						**2,300,000**	**1,961,200**
	Carmila SA	EUR	2.375%	Sept. 2023	at maturity	600,000	322,100
	Carmila SA	EUR	2.375%	Sept. 2024	at maturity	600,000	539,100
	Carmila SA	EUR	2.125%	March 2028	at maturity	350,000	350,000
	Carmila SA	EUR	1.890%	Nov. 2031	at maturity	50,000	50,000
	Carmila SA	EUR	3.000%	June 2029	at maturity	100,000	100,000
	Carmila SA	EUR	1.625%	May 2027	at maturity	300,000	300,000
	Carmila SA	EUR	1.625%	March 2029	at maturity	300,000	300,000
Bank loans						**550,000**	**550,000**
	Carmila SA	EUR	3-month Euribor +1.8%	Sept. 2027	at maturity	550,000	550,000
						Maximum amount	**Amount drawn at 31 Dec. 2022**
Commercial paper						**540,000**	**50,000**
	Carmila SA	EUR				540,000	50,000
Revolving credit facility						**540,000**	**0**
	Carmila SA	EUR		Sept. 2027		540,000	0
TOTAL							**2,561,200**

Note 6.2.3 Bonds

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount outstanding of €1,961 million. These bonds are repayable at maturity, falling between 2023 and 2031.

In November 2022, Carmila launched a buyback offer on its bonds maturing on 18 September 2023, of which €523 million remained outstanding. In total, €200.9 million worth of bonds were redeemed, with €322.1 million still outstanding.

At 31 December 2022, the amount of Carmila's bond debt therefore totalled €1,961 million. Issuance premiums and costs represented €8,640 thousand and will be amortised over the residual term of the underlying debt.

Note 6.2.4 Bank borrowings

Carmila contracted two revolving credit facilities for €270 million and €540 million, maturing in October 2024 and October 2026, respectively, and each including two one-year extension options. These facilities include two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. The €270 million revolving facility was replaced by a new bank loan. The revolving facility totalled €540 million at 31 December 2022. No drawdowns were made during the year by Carmila on the revolving credit facility.

The bank loan was repaid ahead of maturity in an amount of €100 million in 2019, €200 million in 2020, and €300 million in 2021. The remaining €170 million was repaid in July 2022.

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027 and has two one-year extension options.

This new facility was made available in two tranches: the first was drawn in July 2022 and refinanced the above-mentioned loan, while the second amounts to €380 million and was drawn on 30 September 2022.

At 31 December 2022, €5,239 thousand of issuance costs for these loans remain to be amortised over the period of the underlying debt.

Note 6.2.5 Compliance with banking covenants at 31 December 2022

The loan agreement and the revolving credit facilities are subject to compliance with banking covenants measured at the end of each interim and annual reporting period:

- interest coverage ratio: the ratio of EBITDA to the net cost of debt must be greater than 2.00 at the test dates. This ratio increased to 4.5x at 31 December 2022 (versus 3.9x at 31 December 2021).
- loan-to-value ratio: the ratio of consolidated net debt to the fair value of the investment assets (including transfer taxes) must not exceed 55% on the same date; the ratio may be exceeded for one half-year period. This ratio stands at 35.8% at 31 December 2022 (compared with 37.4% at 31 December 2021).

Failure to comply with these covenants entitles the lenders to demand immediate repayment of their facilities.

Under the loan agreements, Carmila may provide collateral to the extent that the maximum amount of the debt concerned does not exceed 20% of the total amount of the fair value of investment properties. Said value must be greater than €2,500 million at all times.

At 31 December 2022, the Group complied with the applicable baking covenants, and does not anticipate any factor that would lead it to breach said covenants in the coming months.

Note 6.2.6 Other financing

The Group also strives to diversify its sources of financing and their maturities, and has set up a short-term commercial paper programme (NEU CP) for a maximum amount of €540 million, registered with the Banque de France on 29 June 2017 and renewed annually.

The outstanding balance at the end of December 2022 was €50 million, maturing in 2023. The maximum outstanding balance drawn over the period was €200 million.

Carmila also arranged a revolving credit facility for €540 million, maturing in October 2027. This facility includes two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. No drawdowns were made by Carmila on the revolving credit facility during the period.

Note 6.2.7 Breakdown of financial liabilities by maturity

At 31 December 2022, financial liabilities are broken down by maturity as follows:

(in thousands of euros)	31 Dec. 2022	2023 Less than 1 year	2024 2 years	2025 3 years	2026 4 years	5 years and beyond
Bonds	**1,972,804**	**339,700**	**537,205**	**(1,166)**	**(1,172)**	**1,098,238**
Bonds – non-current	1,961,200	322,100	539,100	-	-	1,100,000
Bond redemption premiums – non-current	(4,837)	(1,741)	(1,155)	(569)	(571)	(800)
Accrued interest	20,244	20,244				
Issuance costs	(3,803)	(903)	(740)	(597)	(601)	(962)
Bank loans	**598,300**	**52,300**	**(1,239)**	**(1,239)**	**(1,126)**	**549,603**
Bank borrowings – non-current	550,000	-	-	-	-	550,000
Impact of resetting effective interest rate	-				-	-
Issuance costs	(5,239)	(1,239)	(1,239)	(1,239)	(1,126)	(397)
Accrued interest	3,539	3,539	-	-	-	-
Bank borrowings – current	-	-				
Other borrowings and debt – current	50,000	50,000	-	-	-	-
Other IFRS 16 financial liabilities	**35,561**	**1,520**	**1,120**	**1,164**	**1,189**	**30,568**
Other IFRS 16 financial liabilities – non-current	34,041		1,120	1,164	1,189	30,568
Other IFRS 16 financial liabilities – current	1,520	1,520				
BANK AND BOND BORROWINGS	**2,606,665**	**393,520**	**537,086**	**(1,241)**	**(1,110)**	**1,678,409**
Derivative instruments with a negative fair value	3,549	4,866	4,842	4,398	3,840	(14,397)
Bank facilities	20	20	-	-	-	-
GROSS DEBT BY MATURITY DATE	**2,610,234**	**398,406**	**541,928**	**3,157**	**2,730**	**1,664,012**

Maturities of less than one year are covered by available cash and the revolving credit facility.

Contractual flows including principal and interest can be analysed by maturity as follows:

2022

Year of repayment *(in thousands of euros)*	2023	2024	2025	2026	2027	2028 and beyond	Total
Principal	372,100	539,100	-	-	850,000	800,000	2,561,200
Interest	59,644	51,877	39,074	39,074	34,588	16,258	240,514
GROUP TOTAL (PRINCIPAL + INTEREST)	**431,744**	**590,977**	**39,074**	**39,074**	**884,588**	**816,258**	**2,801,714**

2021

Year of repayment *(in thousands of euros)*	2022	2023	2024	2025	2026	2027 and beyond	Total
Principal	200,000	547,900	713,077	-	-	1,100,000	2,560,977
Interest	48,098	44,836	31,580	21,133	21,133	21,133	187,912
GROUP TOTAL (PRINCIPAL + INTEREST)	**248,098**	**592,736**	**744,657**	**21,133**	**21,133**	**1,121,133**	**2,748,889**

Interest was calculated based on Euribor at 31 December (excluding the impact of hedging).

Note 6.3 Management of financial risks and hedging strategy

Note 6.3.1 Credit risk

Credit risk is the risk of financial loss for the Group in the event that a customer or debtor fails to meet its contractual obligations. This risk mainly derives from trade receivables, financial investments made in order to invest surplus funds, hedging agreements with financial institutions, and current accounts with partners invested in the Group's minority interests.

In France as in Spain and Italy, trade receivables relate to tenants; none of which represent a significant percentage of the related revenue. On signing a lease, lessees pay security deposits or provide bank guarantees that, on average, represent three months' rent. The Group strives to implement procedures for verifying the creditworthiness of its customers, monitoring credit collection and systematically following up on unpaid receivables.

Cash is only invested in high-quality instruments. No speculative or high-risk investments are made.

Hedging agreements are intended to hedge interest rate risk and are solely for non-speculative hedging transactions. The counterparties for these transactions are large, blue-chip banks.

Note 6.3.2 Liquidity risk

Liquidity risk is the risk incurred by the Group in the event that it encounters difficulties in repaying its debt as it falls due.

Carmila's policy is to ensure that it has sufficient liquid funds to meet its obligations. Liquidity risk is managed in the short term, since cash and financial investments (as well as the committed revolving credit facilities) more than cover current liabilities.

At end-December 2022, Carmila had one revolving credit facility for €540 million. This facility was not drawn down during the year.

The remaining balance of cash and cash equivalents at 31 December 2022 was €357 million.

Note 6.3.3 Other financial risks

Counterparties, changes in exchange rates, interest rates and the stock market each pose different risks.

As Carmila entrusts its cash investments to blue-chip banks, the Group is not exposed to any specific counterparty risk.

Since Carmila operates entirely within the eurozone, the Group is not exposed to exchange risk.

With regard to interest-rate risk, Carmila has implemented a hedging policy with the use of derivatives (interest rate swaps and plain vanilla options).

In order to optimise its hedging, on 18 March 2022 Carmila extended the maturity of two swaps with a notional amount of €25 and €100 million by four and three years, respectively, i.e., to 2031 and 2030. Carmila also entered into a forward swap (starting in 2024, maturing in 2031) and a swaption in favour of the banks (starting in 2031, maturing in 2034) on 31 March 2022, with a nominal amount of €125 million. On 13 April 2022, Carmila entered into a forward swap (starting in 2025, maturing in 2031) and a swaption (starting in 2031, maturing in 2035), with a nominal amount of €100 million. On 29 July 2022, Carmila subscribed to a cap spread with a nominal amount of €100 million (starting 2022 and maturing 2026). Lastly, on 14 November, Carmila took out a collar (purchase of a cap and sale of a floor) (starting 2024 and maturing 2031) with a nominal amount of €75 million.

At 31 December 2022, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- six fixed-rate borrower swaps at three-month Euribor for a notional amount of €485 million, with the swap covering the longest term expiring in December 2031;
- two caps for a nominal amount of €200 million maturing in 2023 and 2026;
- one tunnel for a nominal amount of €75 million maturing in 2031.

Hedging instruments are accounted for as cash flow hedges. The consequence of this cash flow hedge accounting is that derivative instruments are recognised on the closing statement of financial position at their market value, with any changes in fair value attributable to the effective portion of the hedge recorded in shareholders' equity (OCI) and the ineffective portion taken to income.

The fixed-rate position represents 96% of gross debt at 31 December 2022 (including swaps and swaption collars) and 106% including caps.

As the Group does not hold any shares in listed companies apart from its own shares it is not exposed to equity risk.

Note 6.4 Classification and measurement of financial instruments and hedging transactions

As the parent company, Carmila provides for almost all of the Group's financing and manages interest rate risk centrally.

The Group makes a distinction between three categories of financial instruments using the various valuation methods and uses this classification, in compliance with international accounting standards, to present the characteristics of the financial instruments recognised in the statement of financial position at fair value at the end of the reporting period:

- level 1: financial instruments quoted on an active market;
- level 2: financial instruments whose fair value measurement is based on valuation techniques drawing on observable market inputs;
- level 3: financial instruments whose fair value measurement is based on valuation techniques drawing on non-observable inputs (inputs resulting from assumptions that are not based on observable prices for market transactions for the same instrument or on observable market data available at the reporting date), or only partially based on observable inputs.

(in thousands of euros)	Fair value level	Fair value in profit and loss	Fair value through OCI – period impact	Loans and receivables	Liabilities at amortised cost	Liabilities at fair value	Value in the statement of financial position at 31 Dec. 2022
Assets							**551,041**
Security deposits				13,321			13,321
Trade receivables				101,689			101,689
Other current financial receivables				13,326			13,326
Derivative instruments – assets	Level 2	(2,676)	61,623			65,998	65,998
Marketable securities – excl. money-market	Level 1						-
Cash and cash equivalents	Level 1	356,707					356,707
Liabilities							**2,550,870**
Bonds					1,952,560		1,952,560
Bank borrowings					544,761		544,761
Commercial paper					50,000		50,000
Derivative instruments with a negative fair value	Level 2		12,708			3,549	3,549

The carrying amounts of assets other than financial assets represent reasonable estimates of their market value.

The fair value of derivative financial instruments is determined using standard valuation methods which factor in market conditions at the reporting date.

The fair value of marketable securities and other current financial assets is based on the last quoted price.

Carmila's policy is to hedge its floating-rate debt in order to secure future cash flows by fixing or capping the interest rate paid. This policy involves setting up plain vanilla derivatives, interest rate swaps or options and swaptions which are eligible for hedge accounting.

The fixed interest rate position (fixed-rate debt + swapped floating-rate debt) stands at 96% of gross debt at 31 December 2022 (identical to the rate at 31 December 2021), and hedging instruments represent 81% of floating-rate debt on the same date.

As a consequence of this cash flow hedge accounting, the derivative instruments are recognised on the closing statement of financial position at their market (fair) value, with any changes in fair value attributable to the effective portion of the hedge recognised in shareholders' equity (OCI) and the ineffective portion taken to income under other financial income and expenses.

The fair value of the swaps at 31 December 2022 is considered to be 100% effective and was therefore recognised in shareholders' equity for €79,323 thousand.

The positive €79,323 thousand impact on items recorded in other comprehensive income in 2022 includes a positive impact of €74,331 thousand relating to changes in the fair value of swaps and a positive impact of €4,992 thousand relating to the reclassification of other comprehensive income (balancing payments on swaps previously cancelled).

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
DERIVATIVES WITH A POSITIVE FAIR VALUE		
Derivatives with a positive fair value – through income	0	0
Derivatives with a positive fair value – cash flow hedges	64,893	0
DERIVATIVES WITH A NEGATIVE FAIR VALUE		
Derivatives with a negative FV – through income	0	0
Derivatives with a negative FV – cash flow hedges	0	12,916

These amounts do not take into account the assessment of the credit risk representing €2,676 thousand in 2022 (€233 thousand in 2021).

The sensitivity of derivative instruments to a 1.0% increase or decrease in interest rates is as follows:

Fair value of hedging instruments *(in thousands of euros)*	1% decrease in interest rates		1% increase in interest rates	
	Impact on equity	Impact on income	Impact on equity	Impact on income
Swap designated as cash flow hedges	(33,434)		29,851	
Options designated as trading instruments		0		0

Note 7 Breakdown of other statement of financial position items

Note 7.1 Intangible assets

ACCOUNTING POLICIES

In accordance with IAS 38 – *Intangible Assets* and the IFRIC decision of March 2021 on configuration or customisation costs in a cloud computing arrangement, intangible assets with a finite useful life are amortised on a straight-line basis over the periods corresponding to their estimated useful lives. Indefinite lived intangible assets are not amortised. The indeterminate nature of the useful life is reviewed every year. An impairment test is performed on these non-current assets annually (IAS 36) or whenever there is an indication of a loss in value.

After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and impairment.

(in thousands of euros)	31 Dec. 2021	Acquisitions	Additions/ reversals	Changes in scope of consolidation	Reclassifications/ retirements	31 Dec. 2022
Software	1,698	37	(92)	-	79	1,722
Other intangible assets	17,425	8	-	-	(933)	16,500
Intangible assets in progress	44	-	-	-	-	44
Intangible assets – gross value	**19,167**	**45**	**(92)**	**-**	**(854)**	**18,266**
Amortisation/impairment of software	(1,441)	-	(49)	-	(1)	(1,491)
Amortisation/impairment of other intangible fixed assets	(13,063)	-	(77)	-	-	(13,140)
Intangible assets – cumulative amortisation	(14,504)	-	(126)	-	(1)	(14,631)
TOTAL INTANGIBLE ASSETS – NET	**4,664**	**45**	**(218)**	**-**	**(855)**	**3,636**

Note 7.2 Property, plant and equipment

ACCOUNTING POLICIES

In accordance with IAS 16 – *Property, Plant and Equipment*, when these assets (including land, buildings, installations and equipment) are not classified as investment properties, they are measured at historical cost less accumulated depreciation and impairment.

Property, plant and equipment under construction are accounted for at cost less any identified impairment

(in thousands of euros)	31 Dec. 2021	Acquisitions	Additions/ reversals	Application of IFRS 16	Reclassifications/ retirements	31 Dec. 2022
Land and buildings						
Technical plant, machinery and equipment	4,639	-	-	-	(4,372)	267
Office and computer equipment	632	17	-	-	(37)	612
Transportation equipment	643	-	-	1,725	-	2,368
Company's office buildings	3,922	-	-	63	-	3,985
Other property, plant and equipment	90	56	-	-	-	146
Property, plant and equipment – gross value	**9,926**	**73**	**-**	**1,788**	**(4,409)**	**7,378**
Depreciation/impairment of technical plant, machinery and equipment	(3,097)	-	(24)	-	2,912	(209)
Depreciation/impairment of office and computer equipment	(511)	-	(28)	-	17	(522)
Depreciation/impairment of transportation equipment	(598)	-	(354)	-	-	(952)
Depreciation/impairment of company's office buildings	(2,293)	-	(363)	-	-	(2,656)
Depreciation/impairment of other property, plant and equipment fixed assets	(58)	-	(5)	-	-	(63)
Property, plant and equipment – cumulative depreciation	**(6,557)**	**-**	**(774)**	**-**	**2,929**	**(4,402)**
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	**3,369**	**73**	**(774)**	**1,788**	**(1,480)**	**2,976**

At 31 December 2022, property, plant and equipment mainly includes fixtures and office equipment for the Group's service centres in France and Spain. No significant acquisitions were made during the period. The reclassification for the period relates to investment properties that were previously incorrectly included in property, plant and equipment and have since been reclassified.

Note 7.3 Investments in equity-accounted companies

(in thousands of euros)	31 Dec. 2021	Net income	Distribution	Share capital increase	Change in scope of consolidation	Other movements	31 Dec. 2022
Investments in equity-accounted companies	50,309	4,954	(1,217)	-	21,503	-	75,548

At 31 December 2022, this item consists of As Cancelas (Spain), acquired in 2014 and currently in operation; Carmila Thiene (Italy), the purpose of which is to deploy a project; Magnirayas (France), set up in June 2022; and HDDB Holding since 1 January 2022.

Magnirayas was created in the context of the sale of a portfolio of six assets belonging to Carmila via a joint venture with Batipart and Atland Voisin.

Carmila Retail Development (CRD) holds a 30% stake in HDDB Holding. The rest is held by DMVB Holding. HDDB Holding (Cigusto) develops and operates businesses selling electronic cigarettes, e-liquid and all e-cigarette accessories.

Financial information on equity-accounted companies

The table below shows the main statement of financial position items relating to equity-accounted companies, presented as if the companies were wholly owned by Carmila and including consolidation adjustments:

Equity-accounted companies *(in thousands of euros)*	31 Dec. 2022	31 Dec. 2021
Investment properties	292,684	129,402
Other non-current assets	9,919	1,582
Deferred tax assets	(14,372)	(1,238)
Non-current assets	**288,231**	**129,746**
Trade receivables	3,336	
Other current assets	5,882	1,257
Cash and cash equivalents	10,653	2,284
Current assets	**19,871**	**3,541**
TOTAL ASSETS	**308,102**	**133,287**

Equity-accounted companies *(in thousands of euros)*	31 Dec. 2022	31 Dec. 2021
Equity	**185,570**	**108,294**
Borrowings and financing from associates	109,608	19,400
Other non-current liabilities	4,060	2,132
Non-current liabilities	**113,668**	**21,532**
Current liabilities	**8,865**	**3,461**
TOTAL EQUITY AND LIABILITIES	**308,103**	**133,287**

Equity-accounted companies *(in thousands of euros)*	31 Dec. 2022	31 Dec. 2021
Gross rental income	18,252	7,855
NET INCOME	**12,523**	**6,136**
Dividends distributed	1,217	1,640

Note 7.4 Other non-current assets

ACCOUNTING POLICIES

In accordance with IFRS 9 – Financial Instruments, the main financial assets are classified in one of the following three categories:

- loans and receivables;
- assets held to maturity;
- assets available for sale.

The application of IFRS 9 leads to a redefinition of the methodology for classifying and measuring financial assets, which is now based on:

- the contractual characteristics of cash flows; and
- the business model for managing the assets.

The definition of financial assets used has been extended and now includes loans, advances, current accounts, non-consolidated securities, trade receivables and derivatives with a positive fair value. IFRS 9 also makes a distinction between two categories of financial assets: debt instruments and equity instruments. Depending on the characteristics of the contractual cash flows and business model, the resulting valuation method is different.

The classification is determined by the Group on initial recognition, depending on the type of asset and the purpose for which it was acquired. Sales and purchases of financial assets are recognised at the transaction date, i.e., the date on which the Group purchased or sold the asset. Other long-term investments include minority stakes in young companies developing innovative and promising retail concepts for goods and services.

Loans and receivables are initially carried at fair value and subsequently at amortised cost using the effective interest rate method. For short-term receivables with no specified interest rate, the fair value is taken as the amount on the original invoice. These items are tested for impairment when there is an indication of a loss in value. Impairment is recognised if the carrying amount is higher than the estimated recoverable amount.

This category includes receivables related to equity investments, other loans and receivables, and trade receivables. They appear in the statement of financial position under “Other financial assets” or “Trade receivables”.

For assets available-for-sale, see Note 5 “Investment properties”.

(in thousands of euros)	31 Dec. 2021	Increase	Decrease	Reclassification	31 Dec. 2022
Non-consolidated equity interests	7,084	1,637	(102)	(4,233)	4,386
Security deposits	12,894	469	(41)	-	13,322
Derivative instruments – assets	-	57,406	-	-	57,406
Other financial assets	68	1,200	-	-	1,268
Other non-current assets – gross value	**20,046**	**60,712**	**(143)**	**(4,233)**	**76,382**
Impairment on other non-current assets	**(507)**	**451**	**(5,996)**	**-**	**(6,052)**
OTHER NON-CURRENT ASSETS – NET	**19,539**	**61,163**	**(6,139)**	**(4,233)**	**70,330**

The increase in non-consolidated equity interests in 2022 mainly relates to the acquisition of shares and the subscription to Carmila Retail Development convertible bonds.

"Advances to associates" relates to a €1.2 million loan to Magnirayas, recognised using the equity method in Carmila's consolidated financial statements.

The security deposits recognised as non-current assets relate to deposits made with the Spanish administrative authorities, which require a percentage of the security deposits received from tenants to be deposited with the authorities in a special escrow account.

Derivative instruments with a positive fair value correspond mainly to the mark-to-market of swaps, which increased by €77.8 million over the period due to rising interest rates, from a credit balance of €12.9 million to a positive fair value of €64.9 million, of which €56.6 million long term and €8.3 million short term (see section 7.6).

The increase in impairment corresponds to impairment charged against non-consolidated equity interests (€1.2 million) and against a current account with a non-consolidated company in which Carmila has a minority stake (€4.8 million).

Note 7.5 Trade receivables

ACCOUNTING POLICIES

Trade receivables mainly comprise rent receivable from tenants, front-end fees and any advisory services. In the event of a loss in value, an impairment loss is recognised against the receivables, which takes into account the debtor's capacity to honour its debt and the period for which the receivable is past due. The Group books a provision for 50% of the corresponding receivables when they are over six months and less than one year past due, or for the full amount if the receivables are more than one year past due. A provision is made for the full amount of any past due receivables from tenants for which there is a risk of insolvency. These include tenants undergoing safeguard proceedings, or which are in receivership or liquidation, or any tenant for which a significant credit risk has been identified.

In accordance with IFRIC 21, provisions were recorded for all property taxes owed for 2022 as of 1 January of that year. Simultaneously, an accrual for the share of property taxes rebilled to tenants was recorded as accrued revenue due to the high probability of these lots being rented to tenants throughout the financial year. This has no impact on the annual financial statements.

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Trade receivables – gross value	**165,607**	**161,338**
of which related to leasing activity	161,467	154,320
of which accrued receivables and receivables unrelated to leasing activity	4,140	7,018
Allowances for trade receivables	**(63,918)**	**(85,849)**
of which related to leasing activity	(63,403)	(85,164)
of which unrelated to leasing activity	(515)	(685)
TRADE RECEIVABLES – NET	**101,689**	**75,489**

There was a €26.2 million year-on-year increase in net trade receivables at 31 December 2022. This increase is mainly due to the resumption of quarterly billing as from 1 April 2022 in France. Receivables relating to leasing activity therefore include those for the first quarter of 2023.

The decrease in impairment represents €21.9 million and reflects the improvement in the collection rate.

(in thousands of euros)	Accounting balance	Not yet due	Past due	<15 days	≥15 days <30 days	≥30 days <60 days	≥60 days <90 days	≥90 days <180 days	≥180 days <360 days	≥360 days	Total allowance
Spain	19,019		19,019	(744)	(61)	1,644	824	1,242	1,958	14,156	(14,112)
Italy	9,358	5,316	4,042	(149)	326	191	24	281	340	3,029	(3,703)
France	133,090	84,676	48,415	598	(198)	(51)	(912)	4,592	7,539	36,846	(45,588)
GROUP TOTAL	**161,467**	**89,992**	**71,475**	**(295)**	**67**	**1,785**	**(64)**	**6,114**	**9,838**	**54,031**	**(63,403)**
											Allowances for trade receivables (excluding VAT)
GROUP TOTAL											**(63,403)**

The aged balance does not include accrued receivables or receivables unrelated to the leasing activity.

Note 7.6 Other current assets

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Tax receivables	**13,355**	**19,659**
Corporate tax receivables	3,150	6,800
Other tax receivables	10,205	12,859
Financial receivables	**54,259**	**37,000**
Receivables related to investment properties	45,027	36,729
Derivative instruments – assets	8,592	71
Marketable securities – excl. money-market	640	200
Other receivables	**11,969**	**33,780**
Receivables from charges rebilled to tenants	9,488	11,433
Other miscellaneous receivables	1,625	22,692
Prepaid expenses	856	(345)
TOTAL OTHER RECEIVABLES – GROSS VALUE	**79,583**	**90,439**
Allowances for other receivables	(443)	0
OTHER CURRENT RECEIVABLES – NET	**79,140**	**90,439**

At 31 December 2022, the decline in tax receivables results from the collection of the tax credit granted by the French government in return for rent relief afforded to tenants due to the November 2020 lockdown for an amount of €3.5 million, and to the decrease in VAT on property, plant and equipment for €1.4 million.

Financial receivables relating to equity investments mainly consist of the Group's loans to equity-accounted companies (As Cancelas for €8.2 million and Carmila Thiene for €5.1 million), and to advances by Carmila Retail Development to non-controlling interests in which the company has an equity stake for €31.4 million.

Derivative instruments with a positive fair value correspond to the short-term portion. See section 7.4 for more details.

Other receivables fell sharply, owing to the settlement of the Nice off-plan receivable for €21 million.

Note 7.7 Net cash

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Cash	81,707	238,268
Cash equivalents	275,000	-
Cash and cash equivalents	**356,707**	**238,268**
Bank facilities	(20)	(82)
NET CASH	**356,687**	**238,186**

Cash equivalents of €275 million correspond to term deposits.

The change in the Group's net cash position is detailed in section 2.1.3 "Consolidated statement of cash flows".

Note 7.8 Equity

Note 7.8.1 Share capital and premiums on Carmila's capital

(in thousands of euros)	Number of shares	Share capital	Issuance premium	Merger premium
At 1 January 2022	145,898,168	875,389	568,973	1,417,013
Dividend – GM of 12 May 2022	-			(143,556)
Cancellation of treasury shares	(2,039,146)	(12,235)	(17,265)	
Share option	(9,980)	(60)	60	
AT 31 DECEMBER 2022	**143,849,042**	**863,094**	**551,768**	**1,273,457**

At 31 December 2022, the share capital was made up of 143,849,042 shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital comprises 143,704,395 A shares and 144,647 D shares.

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand deducted in full from the merger premium. This amount was paid in full in cash.

Under the share buyback programmes initiated by the Company on 16 February 2022 and 24 March 2022, 2,039,146 A shares were bought back and subsequently cancelled on 13 May 2022, further to a decision by the Chair and Chief Executive Officer, acting on the authority of the Board of Directors, and resulting in a reduction in the share capital in an amount of €12,234,876.

In accordance with the terms and conditions of the plan dated 16 May 2019, vested C Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period came to an end on 16 May 2022, leading to the conversion of 139,306 C shares into 129,326 A shares. At the end of the 20-day creditors' objection period, on 9 June 2022 the Chair and Chief Executive Officer placed on record that the share conversion had been completed on 16 May 2022, along with the corresponding decrease in share capital. This capital decrease was charged against issuance premiums for €60 thousand.

Carmila SA's shares have been admitted to trading on compartment A of Euronext Paris since 1 January 2018.

Note 7.8.2 Distribution of issuance premiums and capital increases

For more details on the distribution of issuance premiums, see Note 1.3 "Dividend".

For more details on corporate actions, see Note 7.8.1 "Share capital and premiums on Carmila's capital" above.

Note 7.8.3 Treasury stock

Treasury stock is deducted from consolidated shareholders' equity at its acquisition cost. Any gains or losses on the sale of treasury stock (together with the related tax effects) are taken directly to shareholders' equity and not to net income for the period. The Company entered into a liquidity agreement following its listing on Euronext Paris. At 31 December 2022, the Company held a total of 178,919 Carmila shares including the shares held as part of the liquidity agreement and the shares held in view of being used in free share plans.

Note 7.8.4 Earnings per share

Earnings per share are calculated by dividing earnings attributable to holders of the Company's ordinary shares (A shares) by the weighted average number of ordinary shares outstanding during the period. Treasury stock is not considered as shares in issue and is therefore deducted from the number of shares used to calculate earnings per share.

Fully diluted earnings per share are determined by adjusting earnings attributable to holders of ordinary shares and the weighted average number of ordinary shares in issue to include the effects of all potentially dilutive financial instruments as well as potential shares, in particular those linked to free share plans.

(in thousands of euros)	2022	2021
Net income	**219,673**	**192,336**
Consolidated net income (loss) attributable to non-controlling interests	344	215
NUMERATOR		
Consolidated net income (loss) attributable to owners of the parent	219,329	192,121
Average number of shares outstanding	144,211,816	144,250,286
Average number of preference shares outstanding at 31 Dec. 2022	205,713	268,592
DENOMINATOR		
Average number of shares (fully diluted)	144,417,529	144,518,878
EARNINGS PER SHARE (IN EUROS)	**1.52**	**1.33**
DILUTED EARNINGS PER SHARE (IN EUROS)	**1.52**	**1.33**

Note 7.9 Provisions

ACCOUNTING POLICIES

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are recognised when, at the reporting date, the Group has a present legal or constructive obligation arising from a past event, the amount of which can be reliably estimated and the settlement of which is likely to require the outflow of resources representing economic benefits. This obligation may be of a legal, regulatory or contractual nature, or it may be implicit. These provisions are estimated for each category based on the most likely assumptions. Amounts are discounted when the impact of discounting is material.

(in thousands of euros)	31 Dec. 2021	Additions	Reversal	Reclassification	Actuarial adjustments (OCI)	Other movements	31 Dec. 2022
Other provisions for contingencies and charges	6,393	5,047	(3,292)	(3)	-	-	8,145
Provisions for contingencies and charges	**6,393**	**5,047**	**(3,292)**	**(3)**	**-**	**-**	**8,145**
Provision for pensions and retirement benefits	474	80	(76)	14	(114)	-	378
Provisions for charges	**474**	**80**	**(76)**	**14**	**(114)**	**-**	**378**
TOTAL NON-CURRENT PROVISIONS	**6,867**	**5,127**	**(3,368)**	**11**	**(114)**	**-**	**8,523**

Provisions for contingencies and charges include all disputes and litigation with tenants and any other operating risks. The provisions were reviewed to better understand the facts and circumstances surrounding these disputes (talks in progress with possible renewal, etc.) and possible appeal proceedings (right of withdrawal).

Note 7.10 Trade and payables to suppliers of non-current assets

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Fixed assets payables	11,868	22,067
Miscellaneous trade payables	3,121	2,385
Trade payables and accrued invoices	17,600	18,599
TRADE AND FIXED ASSETS PAYABLES	**32,589**	**43,051**

Payables to suppliers of non-current assets relate to ongoing or completed restructuring or extension projects.

The decrease in this item is due to a decline in ongoing projects.

Note 7.11 Other current liabilities

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Accrued tax and payroll liabilities	**47,044**	**54,179**
Tax liabilities (excluding corporate income tax)	33,968	41,370
Tax liabilities – corporate income tax	1,049	770
Social security liabilities	12,027	12,039
Other liabilities	**85,433**	**53,399**
Other miscellaneous liabilities	9,078	17,229
Prepaid income	76,355	36,170
OTHER CURRENT LIABILITIES	**132,477**	**107,578**

The decrease in accrued tax and payroll liabilities reflects the decrease in VAT payable as quarterly invoicing resumed in France (decrease of €4 million versus 31 December 2021) and the reversal of VAT on the credit note receivable in respect of the Nice off-plan acquisition for €3.3 million.

The decrease in other liabilities mainly results from adjustments to the earn-out on a 2016 acquisition in Spain for €6.7 million. The remaining earn-out of €0.6 million is expected to be settled in 2023.

Prepaid income breaks down as €71.3 million in France relating to billing in the first quarter of 2023, and €4.4 million in Italy relating to billing in the first quarter of 2023. The increase in this item is due to the resumption of quarterly billing as of 1 April 2022 in France.

Note 8 Breakdown of statement of income items

Note 8.1 Net rental income

ACCOUNTING POLICIES

Gross rental income

Gross rental income from operating leases is recognised on a straight-line basis over the entire term of the lease agreement.

Any benefits or incentives granted by a lessor when negotiating or renewing an operating lease should be recognised as an integral part of the consideration agreed for the use of the leased asset, regardless of the nature, form or payment date of those benefits:

- any step rents or rent-free periods granted are recorded by means of a reduction or increase in gross rental income spread over the non-cancellable term of the lease;
- any work undertaken on the tenant's behalf is depreciated on a straight-line basis over the non-cancellable term of the lease;
- when a lessor terminates a lease prior to the expiration date, eviction compensation is payable to the tenant. When the conditions are met, the compensation is recorded as a non-current asset (see Note 5 "Investment properties");
- transfer compensation, i.e., compensation paid to a tenant in the event of relocation to other premises in the same building, may be spread over the term of the lease, or, if the building is being renovated, be included in the cost price of the asset;
- entry fees received by the lessor are recognised as additional rent. The front-end fee forms part of the net sum exchanged between the lessor and the tenant under the lease. Therefore, the accounting periods during which this net amount is recognised should not be affected by the form of the agreement and payment schedules. These fees are amortised over the initial non-cancellable term of the lease;
- tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties. Such penalties relate to the terminated lease and are recognised as income in the year in which they are received.

Charges rebilled to tenants

Service charge income is recognised as income for the period and corresponds to charges rebilled to tenants.

Real estate expenses

These correspond to property tax expense and the rebilling of this expense.

Non-recoverable service charges

These charges primarily represent charges arising from vacant premises and non-rebillable expenses.

Property expenses (landlord)

These consist of service charges borne by the landlord, expenses related to works, legal costs, costs associated with bad debts, property management costs, temporary rent relief granted exceptionally to tenants in order to support its business as well as one-off commercial and marketing promotional campaigns undertaken on behalf of a tenant.

Net rental income is calculated based on the difference between gross rental income and these various expenses net of those rebilled.

(in thousands of euros)	2022	2021
Rent	357,012	351,797
Front-end fees and other indemnities	(46)	(7)
Gross rental income	**356,966**	**351,790**
Property tax	(25,035)	(23,916)
Charges rebilled to tenants	20,292	16,247
Real estate expenses	**(4,743)**	**(7,669)**
Rental charges	(80,522)	(71,069)
Charges rebilled to tenants	68,506	61,444
Non-recoverable service charges	**(12,016)**	**(9,625)**
Management fees	(31)	(43)
Charges rebilled to tenants	21	29
Losses and depreciation of receivables	15,240	(35,079)
Other expenses	(20,242)	(9,489)
Property expenses (landlord)	**(5,012)**	**(44,582)**
NET RENTAL INCOME	**335,195**	**289,914**

Note 8.1.1 Gross rental income and net rental income

Gross rental income

	2022		2021
	Year-on-year change		
(in thousands of euros)	Gross rental income	Reported	Gross rental income
France	243,505	0.6%	241,992
Spain	90,486	4.1%	86,931
Italy	22,975	0.5%	22,867
TOTAL	**356,966**	**1.5%**	**351,790**

Net rental income

	2022					2021
	Year-on-year change					
(in thousands of euros)	Net rental income	Like for like (total)	Like for like (specific Covid-19 impact)	Like for like (excl. specific Covid-19 impact)	Reported	Net rental income
France	231,622	19.9%	15.6%	4.3%	18.0%	196,302
Spain	82,544	11.9%	7.6%	4.2%	11.9%	73,771
Italy	21,029	6.0%	4.5%	1.5%	6.0%	19,841
TOTAL	**335,195**	**16.9%**	**12.7%**	**4.2%**	**15.6%**	**289,914**

Net rental income totalled €335.2 million, up €45.3 million, or 15.6%, in 2022. This increase is attributable to the factors described below.

Changes linked to specific Covid-related impacts increased net rental income by €36.8 million, or 12.7%, due to improved rent collection versus 2021 (€28.9 million positive impact) and non-recurring income linked to the collection of pre-2021 receivables (€8.0 million positive impact). Specific Covid (related impacts recognised in 2021 reduced net rental income by €33.6 million, whereas they increased net rental income by €3.7 million in 2022.

Organic growth as adjusted for these specific impacts came out at €12.2 million, or 4.2%. The share of indexation included in growth at constant scope is a positive +3.2%.

Growth generated by acquisitions and disposals was a negative €1.7 million, or a negative 0.6% (disposal of Magnirayas assets in France; acquisition of the Rosaleda shopping centre in Malaga, Spain).

Other impacts reduced net rental income by €2.0 million, or 0.7%, and include the impact of reclassifying income from property management to “Other income”.

Note 8.1.2 Rent collection

Out of the total charges and rents invoiced in 2022, 96.6% had been collected at 31 December.

Note 8.2 Overhead expenses

(in thousands of euros)	2022	2021
Income from property management, administration and other activities	11,704	11,505
Other income	7,683	3,322
Payroll expenses	(30,051)	(28,629)
Other external expenses	(41,098)	(37,965)
OVERHEAD EXPENSES	**(51,762)**	**(51,767)**

Overhead expenses remained stable year on year.

Note 8.2.1 Income from property management, administration and other activities

This item totalled €11.7 million in 2022, an increase of €0.2 million or 1.7% compared to 2021.

It can be broken down as follows:

- €6.1 million in shopping centre management costs rebilled to Carrefour, a rise of €0.2 million on 2021;
- fees, including technical and marketing fees for €5.6 million, stable versus 2021.

Note 8.2.2 Other income

Other income from services mainly comprises marketing services aimed at developing and increasing the attractiveness of the centres (retailers' associations) for €7.7 million, up €4.4 million due to the €2.7 million increase in marketing services rebilled to retailers' associations, and the reclassification of €1.7 million in income from property management to "Other income" (previously recorded in rental income).

Note 8.2.3 Payroll expenses

Payroll expenses amounted to €30.1 million in 2022, a €1.4 million (5.0%) rise on 2021. This increase is due to recruitment within the Next Tower teams (€0.4 million) and to the revaluation of wages and salaries (€1.0 million).

Note 8.2.4 Other external expenses

Other external expenses represented €41.1 million in 2022, an increase of €3.1 million, or 8.3%. Higher external expenses mainly reflect the centralisation of marketing costs (previously borne by the retailers' associations) and is offset by an increase in rebillings of marketing costs to the retailers' associations (see "Other income from services" above).

Excluding payroll expenses, overhead expenses were down by €1.4 million despite higher inflation-related costs, thanks to the impact of overhead cost savings and an increase in marketing costs rebilled to retailers' associations.

Note 8.3 Depreciation, amortisation, provisions and impairment

(in thousands of euros)	2022	2021
Additions to depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(991)	(1,503)
Reversals from/additions to provisions for provisions for contingencies and charges and current assets	(1,200)	258
ADDITIONS TO DEPRECIATION/AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, AND PROVISIONS	**(2,191)**	**(1,245)**

Depreciation, amortisation and impairment mainly concern software and fixtures and fittings in the Group's office buildings.

Net additions to provisions for contingencies and charges mainly concern property disputes with tenants and impairment charged against current assets.

Note 8.4 Gains and losses on disposals of investment properties and equity investments sold

Gains and losses on disposals of investment properties relate to the disposal of a portfolio of six French assets at 30 June 2022.

The sale price of the portfolio was €150 million, including transfer taxes, resulting in a disposal loss of €2.9 million.

There were no other significant disposals during the period.

Note 9 Income tax

ACCOUNTING POLICIES

The Group companies are subject to the tax laws that apply in the countries in which they operate. Income tax is calculated according to local rules and rates.

In France, the Group benefits from the specific SIIC tax regime for French real estate investment trusts.

The Group's subsidiaries in Italy are subject to ordinary taxation in their respective jurisdictions.

Effective 1 January 2020, the Group's Spanish companies are eligible for the SOCIMI tax regime applicable to real estate investment trusts (REITs).

Effective 31 December 2021, Carmila Puerto and Carmila Cordoba opted out of, and therefore are no longer eligible for, the SOCIMI regime.

French tax regime for listed real estate investment firms

On 1 June 2014, Carmila and its French subsidiaries subject to corporate income tax opted for the SIIC regime (French REIT) as of that date.

Characteristics of the regime

The specific corporate tax exemption regime for SIICs is an option for companies listed on a French stock market with share capital of at least €15 million, whose main corporate purpose is the acquisition or construction of properties for leasing purposes or the direct or indirect holding of equity investments in legal entities with the same corporate objective. This option cannot be revoked. Subsidiaries subject to corporate income tax may also opt for the regime if at least 95% of their share capital is held by a company having opted for the SIIC regime.

In exchange for the exemption, these listed real estate investment firms are required to distribute 95% of their rental income, 70% of their capital gains on disposals and 100% of the dividends received from their SIIC subsidiaries.

The option of the SIIC regime entails immediate liability for an exit tax at a rate of 19% on unrealised capital gains relating to properties and shares in partnerships not subject to income tax. The exit tax is payable over a four-year period starting when the entity concerned opts for SIIC status.

Discounting of the exit tax liability

The exit tax liability is discounted according to its payment schedule. The liability initially recognised in the statement of financial position is discounted, and an interest expense is recorded at the end of each reporting period in other financial expenses, enabling the liability to be reduced to its net present value at the reporting date.

Income tax for companies not subject to the SIIC tax regime

Since its adoption of the SIIC regime on 1 June 2014, Carmila distinguishes between a SIIC segment that is exempt from tax on property-leasing transactions and capital gains on disposals and a segment subject to income tax for other activities.

Income tax for companies not subject to the SIIC regime in France and for foreign companies is calculated under the conditions of ordinary tax law. Financière Géric, which was previously liable for income tax, opted for the SIIC regime on 1 January 2017.

SOCIMI regime

Real estate income for SOCIMIs is subject to 0% corporate income tax (CIT), provided that the requirements of the SOCIMI regime are met. Unrealised capital gains recognised prior to entry into the SOCIMI regime are fixed and will be taxed when the corresponding asset is sold. Capital gains realised after election for the SOCIMI regime are exempt from capital gains tax provided that the distribution criteria are met.

Companies opting for the SOCIMI tax regime are required to make the following minimum distributions:

- 100% of the profits from dividends received;
- 80% of the profits resulting from the leasing of real estate and ancillary activities; and
- 50% of the profits resulting from the transfer of properties and shares linked to the Company's business, provided that the remaining profits are reinvested in other real estate properties or equity investments within a maximum period of three years from the date of the transfer.

Spanish SOCIMIs are subject to a special 19% withholding tax on dividend distributions unless it can be proven that shareholders with an ownership interest of 5% or more are subject to tax at a minimum rate of 10%.

Ordinary-law arrangements and deferred tax

Current income tax expense is determined on the basis of tax rules and tax rates enacted or substantively enacted at the reporting date in each country during the period to which the profits relate.

The income tax payable as well as the tax on future income are offset when they originate within the same tax group, fall within the responsibility of the same tax authority, and there is a legal right to offset.

Deferred taxes are recognised when there are temporary differences between the carrying amounts of assets and liabilities and their tax base that give rise to taxable income in future periods.

After being offset against existing tax liabilities, the residual deferred tax assets are recognised if it is probable that the company concerned will have future taxable profits against which these deferred tax assets can be utilised.

Deferred tax assets and liabilities are measured using the liability method at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax rules and tax rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities should reflect the tax impact of the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities at the reporting date.

Deferred tax is calculated at the local tax rates approved at the reporting date. The rates applied at 30 June 2022 are 28% in Italy and 25% in Spain.

In France, the tax rate was 25%. A levy of 3.3% is applicable to the proportion of tax exceeding €763 thousand.

Note 9.1 Income tax expense

(in thousands of euros)	2022	2021
Deferred tax	(1,582)	36,613
Withholding tax	-	-
Current tax	(878)	(4,779)
INCOME TAX CHARGE	**(2,460)**	**31,834**

The Group's current tax expense is €0.9 million. Changes in deferred tax result from income recognised in 2021 in Italy for €39.3 million, after Carmila opted to revalue its assets in the local accounts, thereby eliminating the difference between the value of the assets for tax purposes and their actual value.

Note 9.2 Tax reconciliation

The reconciliation of the effective tax expense with the theoretical tax expense is as follows:

(in thousands of euros)	2022	2021
Consolidated net income (loss)	219,673	192,336
Income tax benefit (expense)	(2,460)	31,834
Share of net income of equity-accounted companies	**4,954**	**3,068**
Net income before taxes and excluding equity-accounted companies' net income	217,178	157,434
Standard tax rate applicable to the parent company	25.00%	26.50%
THEORETICAL INCOME TAX BENEFIT	**(54,295)**	**(41,720)**
Tax-exempt income resulting from the SIIC regime	30,734	28,986
Tax-exempt income resulting from the SOCIMI regime	24,182	13,987
Temporary differences	(427)	38,831
Share of expenses on dividends	(29)	(66)
Permanent differences	1,021	2,882
Taxes other than on income	110	(6,313)
Impact of difference in tax rates	(109)	(139)
Difference in earnings	0	0
Tax loss without deferred tax recognition	(3,648)	(4,614)
EFFECTIVE TAX (EXPENSE) BENEFIT	**(2,459)**	**31,834**
EFFECTIVE TAX RATE	**1.13%**	**-20.22%**

Note 9.3 Current tax assets and liabilities

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Tax receivables	3,150	6,800
TOTAL TAX ASSETS	**3,150**	**6,800**
Tax liabilities – non-current	0	0
Tax liabilities – current	1,007	728
Liabilities related to tax consolidation	42	42
TOTAL TAX LIABILITIES	**1,049**	**770**

At 31 December 2022, tax receivables related to tax prepayments made in France and Italy for €0.7 million and €2.4 million, respectively.

The tax liability relates to €1,007 thousand in income tax payable in France.

Note 9.4 Deferred tax assets and liabilities

(in thousands of euros)	31 Dec. 2021	Profit and loss impact	Change in scope of consolidation	Other	31 Dec. 2022
Deferred tax assets	9,855	3	-	(6)	9,851
Deferred tax liabilities	(139,445)	(1,734)	-	-	(141,179)
NET BALANCE OF DEFERRED TAX	**(129,590)**	**(1,731)**	**-**	**(6)**	**(131,328)**
BREAKDOWN OF DEFERRED TAX BY CATEGORY					
Properties	(139,445)	(1,734)	-		(141,179)
Tax losses	8,935	-	-	-	8,935
Financial instruments	-	-	-	-	-
Other items	920	3	-	(6)	917
NET BALANCE OF DEFERRED TAX	**(129,590)**	**(1,731)**	**-**	**(6)**	**(131,327)**

Note 10 Off-balance sheet commitments and associated risks

ACCOUNTING POLICIES

Off-balance sheet commitment

An off-balance sheet commitment can be any transaction or agreement between a company and one or several entities which is not recorded on the statement of financial position. Off-balance sheet commitments may be given or received, or may be reciprocal commitments, and represent risks and rewards which can be useful for assessing the Group's financial position.

Contingent liabilities

A contingent liability is a potential obligation for the entity to a third party resulting from an event whose existence will only be confirmed by the occurrence or non-occurrence of one or several future uncertain events that are outside the entity's control.

Note 10.1 Contingent liabilities

At 31 December 2022, there were no material disputes other than those already recognised in the consolidated financial statements.

Note 10.2 Commitments received

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Undrawn committed credit facilities	540,000	810,000
Commitments related to Group financing	**540,000**	**810,000**
Bank guarantees received from tenants	22,213	21,825
Other commitments received	-	228
Commitments related to Group operating activities	**22,213**	**22,053**
TOTAL COMMITMENTS RECEIVED	**562,213**	**832,053**

Note 10.2.1 Undrawn committed credit facilities

The Group finances itself through equity and borrowings contracted by the parent company. At 31 December 2022, the Group had one credit facility for €540 million, set up as part of its refinancing programme in October 2021. This facility was not drawn down during the year.

Note 10.2.2 Bank guarantees received from tenants

Within the scope of its business of managing shopping centres, certain leases provide for the lessor to receive a first-demand bank guarantee securing the sums owed by the tenants.

Note 10.2.3 Other guarantees received – vendor warranties

In the context of its acquisition of Italian assets, Carmila Italia received a reassessment notice from the tax authorities. This tax risk is covered by a vendor warranty. The amount of the reassessment was paid by the seller to the tax authorities as a precautionary measure.

Note 10.3 Commitments given

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Compensation payments	1,102	
Commitments to complete works	-	1,687
Asset purchase commitments	3,981	
Rental guarantees and deposits	3,572	4,937
Commitments related to Group operating activities	8,655	6,624
TOTAL COMMITMENTS GIVEN	**8,655**	**6,624**

Note 10.3.1 Commitments subject to conditions precedent

Commitments subject to conditions precedent are undertakings to purchase land, assets or securities and earn-out payments for previous acquisitions, some of which are not sufficiently certain to be recognised in the financial statements.

At 31 December 2022, the Group had not signed any purchase commitments.

Note 10.3.2 Works-related commitments

Works-related commitments correspond to works approved by the Investment Committee and/or already under contract, and not recognised on the statement of financial position. At 31 December 2022, there were no works-related commitments.

Note 10.3.3 Rental guarantees and deposits

This item mainly includes guarantees covering the operating premises of the Group and its subsidiaries. Since 2018, it also includes a guarantee given to the tax authorities by the Italian subsidiaries regarding the application of its consolidated VAT regime.

Note 10.3.4 Compensation payments

In the case of unilateral sale commitments, the promisor must pay the seller compensation if it decides not to purchase the property.

Note 10.3.5 Asset purchase commitments

In the course of its business, the Group undertakes to acquire assets off-plan.

Note 10.4 Reciprocal commitments

None.

To the best of our knowledge, we have reported all off-balance sheet commitments that are material or that may become material in the future as determined by applicable accounting standards.

Note 11 Related-party transactions

On 1 January 2021, the Carrefour group and Carmila signed agreements regarding functions or services to be performed by Carrefour on Carmila's behalf. The term of these agreements was set at five years, i.e., until 31 December 2025.

Carrefour and Carmila have also signed an agreement for the renovation and development of Carmila's assets.

On 30 June 2022, Carmila finalised the sale of a portfolio of six assets with Batipart and Atland Voisin via a joint venture, Magnirayas, in which Carmila holds a 20% minority stake. This transaction is described in Note 1.2.

(in thousands of euros)	2022	2021
Personnel secondment agreement	584	412
Exclusive mandate – Carrefour Property Gestion	6,866	6,494
Leasing and asset management services		
Service agreement – Carrefour Administratif France	909	802
Services in the field of insurance management, legal (both corporate and litigations), tax, accounting, treasury back office, payroll		
Service agreement – Carrefour SA	122	122
Accounting, tax, legal assistance, insurance management services		
Service agreement – CPF Asset Management	1,845	1,845
Legal real estate, human resources, management accounting, janitor services		
Service agreement – Magnirayas-Carrefour Property Gestion	177	
Legal assistance and lease management services		
TOTAL BILLED TO CARMILA AND SUBSIDIARIES IN FRANCE	**10,326**	**9,675**
Shopping mall management mandates with Carrefour Property Gestion	(5,183)	(5,075)
Agreement billed by Almia Management		
Rebilling of personnel secondment	-	(80)
Service agreement – Magnirayas	(294)	
Legal real estate, asset management, leasing and Specialty Leasing services		
Leasing fees	(149)	(1,130)
Fees billed by Almia Management		
TOTAL BILLED BY CARMILA IN FRANCE	**(5,625)**	**(6,285)**
TOTAL NET AMOUNT INVOICED TO CARMILA – FRANCE (EXPENSE)	**4,700**	**3,389**

(in thousands of euros)	2022	2021
Exclusive mandate – Carrefour Property España	1,383	1,376
Lease management services		
Service agreement – Centros Comerciales Carrefour	700	700
Insurance, legal assistance, tax, accounting, cash management, IT, payroll, janitor services		
Service agreement – Carrefour Property España	1,032	1,038
Legal real estate services, management, human resources		
Marketing of Specialty Leasing		
Assistance with lease negotiations and Specialty Leasing provided by managers of the 11 shopping centres managed by Carrefour Property		
TOTAL CHARGED TO CARMILA IN SPAIN	**3,115**	**3,114**
Exclusive mandate – Carrefour Property España, Carrefour Norte, Carrefour Navarra and third parties	(935)	(779)
Asset management		
Exclusive mandates – Carrefour Property España, Carrefour Navarra, Carrefour Norte and third parties	(300)	(300)
Marketing of premises in shopping malls	(100)	(100)
Marketing of leasable areas comprised within common areas	(200)	(200)
TOTAL INVOICED BY CARMILA IN SPAIN	**(1,235)**	**(1,079)**
TOTAL NET AMOUNT INVOICED TO CARMILA – SPAIN (EXPENSE)	**1,880**	**2,035**

(in thousands of euros)	2022	2021
Service contract with GS S.p.A.	481	481
Legal assistance, tax, accounting, technical maintenance		
Service contract with Carrefour Property Italia S.r.l.	129	212
Management accounting, project investment, janitor services		
Cash Management Service contract with Carrefour Italia Finance S.r.l.	50	50
Exclusive mandate with Carrefour Property Italia S.r.l.	181	200
Fees paid to consorzi (consortia) for leasing services and management of temporary rents	204	241
Rebilling of operating costs (power, energy, security, etc.) rebilled to tenants	4,296	3,738
TOTAL AMOUNT INVOICED TO CARMILA – ITALY (EXPENSE)	**5,341**	**4,922**

Costs relating to compensation paid to members of the Executive Committee are as follows:

(in thousands of euros)	2022
Short-term benefits, excluding payroll costs	2,505
Short-term benefits – payroll costs	978
Post-employment benefits	17
Share-based payment[(1)]	108
TOTAL	**3,500**

(1) Corresponding to the expense recorded in the income statement for free share plans.

Note 12 Compensation and employee benefits

Note 12.1 Payroll expenses

See Note 8.2.3.

Note 12.2 Headcount

At 31 December 2022, the Carmila Group had 228 employees, including 149 in France employed by its Almia Management subsidiary, 61 in Spain and 18 in Italy (excluding apprentices).

Note 12.3 Employee benefits

Employees receive benefits during their employment (paid leave, sick leave, profit sharing, long-service awards, etc.) and defined benefit or defined contribution post-employment benefits (end-of-service indemnities, pension benefits, etc.).

Note 12.3.1 Pension plans

ACCOUNTING POLICIES

Defined-contribution schemes

Defined-contribution schemes are schemes whereby the company makes periodic fixed contributions to external organisations that provide administrative and financial management. Under these schemes, the employer has no further obligations; the organisation is responsible for paying employees the amounts owed to them under statutory social security pension schemes in France, supplementary pension schemes and defined-contribution pension funds.

These contributions are recognised as expenses when they fall due.

Defined-benefit schemes and long-term benefits

Carmila recognises provisions for various defined-benefit schemes that depend upon individuals' accumulated years of service within the Group.

The actuarial method used to measure the obligation is a prospective method based on projected end-of-career salaries and calculates vested entitlement based on years of service. This method complies with the requirements of IAS 19. The calculations are made by a qualified actuary.

For each active participant, the benefit likely to be paid is estimated based on the rules defined in the collective bargaining agreement or schedule in force and on personal data projected to the standard age for payment of the benefit. The Company's total obligation with regard to each participant (actuarial value of future benefits) is then calculated by multiplying the estimated benefit by an actuarial factor, which takes into account the following:

- assumptions concerning the probability that the employee will leave the company or will pass away before the age at which the benefit is due;
- the discounted value of the benefit at the valuation date.

The total cost of the obligation is then allocated over each of the past and future financial years for which the participant accrued rights under the pension scheme.

- The share of this total cost allocated to financial years prior to the valuation date (actuarial liability or amount of the obligation) corresponds to the entity's obligations for services rendered (past service cost). The actuarial liability reflects the amount due for the total obligation indicated on the statement of financial position.
- The share of the total cost allocated to the financial year after the valuation date (service cost) represents the likely increase in obligations as a result of the additional year of service that the participant will have completed at the end of that year. Expenses related to service cost are recorded as appropriate either under operating income or under other financial income and expenses for the portion relating to the interest cost.

In accordance with IAS 19, actuarial gains and losses resulting from a change in assumptions are included within "Other comprehensive income".

Under this method, the value of the benefit obligation or actuarial liability at the valuation date is obtained by allocating the total cost of the plan, or present value of future benefits, on a straight-line basis over the benefit entitlement period.

The discount rate reflects the expected yield at the reporting date on investment-grade (AA) eurozone bonds with a maturity equal to the maturity of the benefit obligation (based on the yield on iBoxx Euro AA corporate bonds maturing in 10 years or more).

At 31 December 2022, the Group applied the following main actuarial assumptions:

- discount rate: 3.60% (versus 1.10% at 31 December 2021);
- salary increase rate: 2% (unchanged from 2021).

Note 12.3.2 Share-based payments

ACCOUNTING POLICIES

The Group applies the provisions of IFRS 2 – *Share-based Payment*. The fair value of share-based payment rights allocated to employees is determined at the allocation date, and is recorded within payroll expenses over the vesting period against an increase in shareholders' equity. The amount recognised as an expense is adjusted to reflect the number of rights for which it is estimated that the non-market performance and service conditions will be met. The expense ultimately recognised is based on the actual number of rights that fulfil the non-market performance and service conditions at the vesting date. For share-based payment rights subject to other conditions, fair value as determined at the allocation date reflects these conditions. The difference between the initial estimate and the actual cost does not give rise to any subsequent adjustments.

Under IFRS 2.11, equity instruments allocated must be measured at their fair value at the allocation date using an option pricing model. The Black & Scholes and Monte-Carlo models were used to simulate the fair value of each of the instruments.

The Group has nine free share plans for corporate officers and key employees in France, Spain and Italy. The cost of these plans is recognised over the vesting period (period of employment to be completed by the beneficiaries before they are able to exercise the options allocated).

The plan allocated in 2019 (plan 6) expired on 16 May 2022 and resulted in the allocation of 129,326 free shares to key employees and corporate officers following the conversion of C shares into A shares.

The plans in effect at 31 December 2022, allocated in 2020, 2021 and 2022, were as follows:

- In 2020, a new preference share plan was approved in June 2020 and incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2022 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2022;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2022 versus a panel of comparable companies.
- In 2021, a new preference share plan was approved in May 2021 and incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2023 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2023;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2023 versus a panel of comparable companies.
- a new free share plan was approved in May 2022, again incorporating a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2024 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2024;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2024 versus a panel of comparable companies.

The benefits allocated are recognised over the vesting period, as payroll expenses for €1,746 thousand against a corresponding increase in shareholders' equity of €1,455 thousand (offset in equity by the shares delivered during the period) and as accrued social security liabilities (20% payroll taxes) for €291 thousand.

Summary of the plans	Plan 6		Plan 7		Plan 8		Plan 9	
	France	Outside France	France	Outside France	France	Outside France	France	Outside France
Date of General Meeting	16/05/2019		29/06/2020		18/05/2021		12/05/2022	
Date of allocation	16/05/2019		29/06/2020		18/05/2021		12/05/2022	
End of vesting period	Tranche 1 – 20%: 14/05/2020 Tranche 2 – 20%: 14/05/2021 Tranche 3 – 60%: 14/05/2022		Tranche 1 – 20%: 29/06/2021 Tranche 2 – 20%: 29/06/2022 Tranche 3 – 60%: 29/06/2023		18/05/2024		12/05/2025	
End of holding period	16/05/2022		29/06/2023		18/05/2024		12/05/2025	
Service condition	Service condition influences the conversion ratio of C Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of D Shares into A Shares, by tranches as described over the vesting period		Service condition influences vesting		Service condition influences vesting	
Performance condition	Change in NAV versus a panel of comparable companies *Recurring EPS*: annual growth rate Change in share price		Change in NAV versus a panel of comparable companies *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria		Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria		Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**121,806**	**23,100**	**117,247**	**27,400**	**188,938**	**50,000**	**183,438**	**52,500**
Shares cancelled/forfeited	(15,580)		(6,850)		(8,300)		(3,000)	
Shares cancelled/achievement rate – Conversion into A Shares								
Shares vested	106,226	23,100						
OUTSTANDING SHARES AT 31 DECEMBER 2022	**0**	**0**	**110,397**	**27,400**	**180,638**	**50,000**	**180,438**	**52,500**

Note 13 Additional information

Note 13.1 Subsequent events

On 7 February 2023, Carmila announced the signing of two agreements with family offices for the sale of a portfolio of four assets in Spain and one asset in Montélimar, France.

The agreed sale price of the portfolio in Spain is €75 million, including transfer taxes, in line with appraisal values. The portfolio is made up of four shopping centres, Los Patios and Alameda in Malaga and Los Barrios and Gran Sur in Algeciras, which are representative of Carmila's portfolio with a Carrefour hypermarket (belonging to Carrefour and outside of the scope of the transaction), approximately 35 stores per centre, high levels of occupancy and a refreshed merchandising mix. Carmila will provide property, leasing and asset management services for the portfolio.

The agreed sale price of the asset in Montélimar is €15 million, in line with the appraisal value. It is made up of several lots in an attractive commercial zone adjacent to a Carrefour hypermarket

Note 13.2 Statutory Auditors' fees

	KPMG				Deloitte				Total	
	Statutory Auditors		Network		Statutory Auditors		Network		Statutory Auditors	Network
(in thousands of euros)	2022	%	2022	%	2022	%	2022	%	2022	2022
Audit of statutory and consolidated financial statements and half-year review	**398**	**89%**	**-**	**0%**	**203**	**95%**	**227**	**96%**	**601**	**227**
Carmila SA	124	28%	-	0%	117	55%	-	0%	241	-
Consolidated subsidiaries	274	61%	-	0%	86	40%	227	96%	359	227
Non-audit services	**48**	**11%**	**-**	**0%**	**10**	**5%**	**9**	**4%**	**58**	**9**
Carmila SA[(1)]	45	10%	-	0%	10	5%	-	0%	55	-
Consolidated subsidiaries	3	1%	-	0%	-	0%	9	4%	3	9
TOTAL FEES	**446**	**100%**	**-**	**0%**	**213**	**100%**	**236**	**100%**	**659**	**236**

(1) *In 2022, these fees are mainly related to services rendered in connection with the issuance of bonds (comfort letter) and the review of the CSR information.*

Note 13.3 List of consolidated companies

List of consolidated companies		% interest			% control		
Consolidated companies	**Country**	**31 Dec. 2022**	**31 Dec. 2021**	**Change**	**31 Dec. 2022**	**31 Dec. 2021**	**Change**
FRANCE							
Carmila SA	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila France SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Almia Management SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI du Centre Commercial de Lescar	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI de l'Arche	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI des Pontots	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Anglet	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Coquelles	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Labège	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Orléans	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Carmila Bourges	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Sothima	France	100.00%	100.00%	-	100.00%	100.00%	-
Hyparmo Sarl	France	Merged	100.00%	Merged	Merged	100.00%	Merged
Bay1Bay2 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Financière Géric SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Louwifi SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Crèche-sur-Saone SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Évreux SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Retail Development	France	100.00%	100.00%	-	100.00%	100.00%	-
KC11 SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Best of the Web SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Saran SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Nice SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Next Tower	France	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Nantes	France	100.00%			100.00%		
Carmila Sartrouville	France	100.00%			100.00%		
SPAIN							
Carmila España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Talavera SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Huelva SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Mallorca SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Puerto SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Cordoba SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
ITALY							
Carmila Holding Italia SRL	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Italia SRL	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Carmila Milano Nord SRL	Italy	Merged	100.00%	-	Merged	100.00%	-

List of consolidated companies		% interest			% control		
Equity-accounted companies	**Country**	**31 Dec. 2022**	**31 Dec. 2021**	**Change**	**31 Dec. 2022**	**31 Dec. 2021**	**Change**
As Cancelas	Spain	50.00%	50.00%	-	50.00%	50.00%	-
Carmila Thiene SRL	Italy	50.10%	50.10%	-	50.10%	50.10%	-
HDDB Holding	France	30.50%		30.50%	30.50%		30.50%
Magnirayas	France	20.00%		20.00%	20.00%		20.00%

6.2 Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2022

To the Carmila S.A. Shareholders' annual general meeting

Opinion

In compliance with the engagement entrusted to us by the Shareholders' meeting, we have audited the accompanying financial statements of Carmila S.A. for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Key Audit Matters	Responses as part of our audit
Valuation of investment properties at fair value (Note 6 to the consolidated financial statements) As of 31 December 2022, investment properties measured at fair value are recorded on the balance sheet for a net carrying amount of €5,813 million compared to an amount of total assets of €6,513 million. As indicated in Note 5 to the consolidated financial statements, in application of one of the methods proposed by IAS 40, investment properties are recorded at fair value. Fair value is determined on the basis of the reports of independent experts. All investment properties are appraised twice a year by experts. They independently establish their future cash flow estimates by applying risk factors (such as location, retail competition, etc.) either to the net income capitalisation rate or to the discounted cash flows. The fair value measurement of investment property investments involves the use of different valuation methods using unobservable parameters as defined by IFRS 13. In order to conduct their works, the experts visited the property assets and had access to all information needed to value the assets, particularly the list of leases, the vacancy rate, rental arrangements and the main aggregates on lessees (sales). The valuation of investment properties, which is the main portion of the total assets, is considered to be a key audit matter due to: • the use of assumptions and significant estimates by Management and independent experts, such as the market rental values, the discount and capitalisation rates; • the sensitivity of these values to assumptions adopted by the experts.	We have assessed the compliance of the accounting treatment applied by the entity Carmila S.A. to IFRS accounting principles and the pertinence of the disclosures presented in note 5 to the consolidated financial statements. The procedures that we performed mainly consisted in: • Reviewing the investment property valuation process and controls implemented by the Management, notably regarding approval and transmission of information to experts and the review of their works and conclusions; • Assessing the competence and independence of the external appraisers mandated by the entity Carmila S.A., in particular about their reputation and by verifying their certificates of independence included as a statement in their reports; • Conducting interviews with independent appraisers and Management to assess the pertinence of the valuation methodology and assumptions used; • Analysing the change in fair value of the investment properties and assessing the basis with respect to market changes and the situation of the building; • Verifying that the fair value methods used are in line with market practices, and assessing, on a sample basis, the consistency of the valuation assumptions used by the independent experts with the market data available, and particularly the discount and capitalisation rates along with the expected evolutions of net rental incomes; • Corroborating, on a sample basis, the incomes used by the independent experts to value the investment properties with the lease contracts; • Tying the investment property amounts in the consolidated financial statements with the appraisers' reports; • Assessing the appropriateness of the disclosures presented in the notes to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the President and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed statutory auditors of Carmila S.A. by the Shareholders' Meeting of 25 June 2010 for KPMG and 25 June 2009 for Deloitte & Associés.

As at 31 December 2022, KPMG was in its 13th year of uninterrupted engagement and Deloitte & Associés in its 14th year of uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 15 February 2023

French original signed by
The Statutory Auditors

KPMG S.A.		Deloitte & Associés
Caroline Bruno-Diaz Partner	Adrien Johner Partner	Emmanuel Proudhon Partner

6.3 Statutory financial statements at 31 December 2022

6.3.1 Income statement for the year ended 31 December 2022

(in thousands of euros)	Note	2022	2021
Net revenue			
Reversals of depreciation, amortisation and provisions, and expense transfers			
Other income		603	315
Operating income	**6.1**	**603**	**315**
Other purchases and external charges	6.1.1	(7,597)	(7,510)
Taxes, duties and other levies	6.1.2	(52)	(11)
Additions to depreciation, amortisation and provisions	6.1.3	0	0
Other expenses		(10)	(462)
Operating expenses		**(7,659)**	**(7,983)**
Operating loss		**(7,057)**	**(7,668)**
Income allocated or loss transferred			
Financial income		67,937	54,377
Financial expenses		(59,601)	(56,249)
Additions to impairment and provisions for financial assets		(4,645)	(2,126)
Net financial expense	**6.2**	**3,691**	**(3,998)**
Recurring income (loss) before tax		**(3,366)**	**(11,666)**
Non-recurring income		1,323	421
Non-recurring expenses		(152)	(185)
Net non-recurring income	**6.3**	**1,171**	**236**
Income tax		0	0
NET LOSS FOR THE YEAR		**(2,195)**	**(11,430)**

6.3.2 Balance sheet at 31 December 2022

6.3.2.1 ASSETS

(in thousands of euros)	Note	Gross amount at 31 Dec. 2022	Cumulative depreciation, amortisation and impairment	Net amount at 31 Dec. 2022	Net amount at 31 Dec. 2021
Uncalled subscribed share capital					
Intangible assets	4.1	0	0	0	0
Property, plant and equipment		0	0	0	1
Financial assets	4.2	5,224,260	1,742	5,222,517	5,319,672
Non-current assets		**5,224,260**	**1,742**	**5,222,517**	**5,319,673**
Trade receivables	4.3	329		329	1,671
Other receivables	4.3	12,906		12,906	13,058
Marketable securities	4.4				
Cash at bank and in hand	4.5	316,544		316,544	131,044
Prepaid expenses		0		0	6
Current assets		**329,779**	**0**	**329,779**	**145,780**
Bond redemption premiums	4.6	3,664		3,664	5,376
TOTAL ASSETS		**5,557,703**	**1,742**	**5,555,960**	**5,470,828**

6.3.2.2 EQUITY AND LIABILITIES

(in thousands of euros)	Note	31 Dec. 2022	31 Dec. 2021
Share capital		863,094	875,389
Issuance premium		551,768	568,973
Merger premium		1,273,457	1,417,013
Reserves		19,923	19,923
Retained earnings		(11,374)	56
Net income (loss) for the year		**(2,195)**	**(11,430)**
Shareholders' equity	**5.1**	**2,694,673**	**2,869,923**
Provisions for contingencies and charges	5.2	1,815	2,162
Provisions		**1,815**	**2,162**
Bonds and other financial liabilities	5.3	2,586,836	2,591,090
Trade payables	5.4	3,219	4,112
Other liabilities	5.5 & 5.6	269,475	3,352
Prepaid income		(58)	188
Liabilities		**2,859,472**	**2,598,743**
TOTAL EQUITY AND LIABILITIES		**5,555,960**	**5,470,828**

6.3.3 Notes to the statutory financial statements

Note 1 Company description

Carmila SA (hereinafter "the Company") was formed in March 1991. Its corporate purpose is to acquire or build properties for commercial use or for leasing in France and abroad, as well as to directly or indirectly hold interests in companies with the same corporate purpose. Carmila is a property company involved in managing and enhancing the value of shopping centres and retail parks anchored by stores belonging to, or operated directly or indirectly by, Carrefour.

The Company has opted for the "SIIC" regime for listed real estate investment firms in France as from 1 January 2015. As such, it must distribute 95% of its rental income and 70% of the capital gains on the disposals of properties as well as 100% of the dividends received from SIIC subsidiaries. The regime is considered to be a specific tax exemption status and not one that offers a lower rate of tax on distributed earnings. In return, the beneficiary is taxed on the distributed profits at the tax rate applicable to the beneficiary, without the possibility of applying the parent subsidiary allowance.

The Company's registered office is at 58, avenue Émile-Zola, 92100 Boulogne-Billancourt, France.

The statutory financial statements were approved by the Board of Directors on 15 February 2023 and will be submitted for the approval of the Annual General Meeting to be held on 11 May 2023.

Note 2 Highlights

Note 2.1 Debt and financing

On 21 July 2022, Carmila repaid its credit facility in an amount of €170 million and contracted a new floating-rate €550 million credit line with a five-year maturity. The new facility includes two one-year extension options and two sustainability criteria. Carmila also cancelled the first tranche of its €270 million revolving credit facility. The outstanding revolving credit facility amounts to €540 million.

In November 2022, Carmila announced the launch of a buyback offer on its bonds maturing on 18 September 2023, of which €523 million remained outstanding. In total, €200.9 million worth of bonds were redeemed, with €322.1 million still outstanding.

Following these operations, the average maturity of Carmila's debt was 3.9 years at 31 December 2022.

Note 2.2 Distribution

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand deducted in full from the merger premium. This amount was paid in full in cash.

Note 3 Accounting principles and basis of measurement

Note 3.1 Accounting principles applied

The statutory financial statements of the Company have been prepared and presented in accordance with the principles and methods defined in Regulation 2014-03 issued by the French accounting standards-setter (*Autorité des normes comptables* – ANC), as amended by all subsequent regulations.

Generally accepted accounting principles in France have been applied in accordance with the principle of prudence, pursuant to the following basic assumptions: going concern basis, the accruals basis of accounting and consistency of accounting methods, pursuant to the general rules of preparing and presenting annual financial statements.

The measurement basis used to prepare the financial statements is the historical cost method.

The measurement basis and accounting policies have not changed relative to the prior year. The statutory financial statements are shown in thousands of euros, rounded to the nearest thousand.

Note 3.2 Basis of measurement

Note 3.2.1 Intangible assets

Software licences are amortised over 48 months.

Note 3.2.2 Property, plant and equipment

Property, plant and equipment are stated on the balance sheet at their acquisition cost, plus the ancillary costs and expenses incurred to acquire the asset, particularly transfer taxes.

When an item of property, plant and equipment includes significant components with different useful lives, they are recognised separately. The costs to replace or renew an item of property, plant and equipment are recognised as a separate asset, and the replaced asset is eliminated. Other costs incurred subsequently for an item of property, plant and equipment are only recognised as fixed assets if they improve the condition of the asset and expand its capacity relative to its original performance.

The measurement method used is the historical cost method. A provision for impairment is set aside when the future economic benefits associated with an item of property, plant and equipment is less than its net book value. Impairment is calculated by comparing the net book value of the asset with the higher of value in use and market value, determined where appropriate by an independent appraiser. If the market value determined is lower, an impairment loss is recognised for the difference.

Assets in progress include the costs incurred on the project. They are not amortised until the project has been commissioned and reclassified to fixed assets.

Note 3.2.3 Financial assets

Financial assets comprise equity interests and receivables related to equity investments and property security deposits. They are carried at their acquisition cost plus any expenses incurred to acquire the asset, on the date of initial recognition.

Equity interests are impaired when their fair value is less than their acquisition cost. The fair value of equity interests corresponds to value in use, determined based on net asset value. Revalued equity of real estate companies is estimated twice per year based on valuations of investment property carried out by independent appraisers who take into account specific information about the assets, especially projected cash flows, as well as market returns.

Loans and other financial assets are recorded at their nominal value. A provision for impairment is recognised when fair value is lower than the book value.

Impairment is recognised in net financial income (expense), together with reversals of impairments on the disposal of equity interests. The gain or loss on the disposal of equity interests is recognised in non-recurring items.

The tests carried out at the reporting date led the Company to recognise impairment against its equity interests in Almia Management for €1,702 thousand, and to reverse impairment in an amount of €4 thousand on its interests in the Lescal shopping centre SCI.

Note 3.3 Operating receivables and payables

Receivables are recognised at nominal value. They mainly comprise the debit balance of subsidiaries' current accounts. These receivables are estimated on an individual basis at each reporting date, and a provision is accrued whenever there is a risk that they may not be collected.

Trade accounts payable and other payables are recorded at cost.

Note 3.4 Provisions – Employee benefits

In general, provisions are established to cover clearly identifiable risks and expenses arising from past or present events, for which the timing or amount is uncertain and the settlement of which is expected to result in an outflow of resources to a third party by virtue of a legal or constructive obligation, without receiving at least equivalent consideration from said third party and where the amount of the risk or expense can be estimated with sufficient reliability but for which the fulfilment and due date are uncertain.

A provision is recognised for free share or stock option plans, once it is probable or certain that the obligation to allocate existing shares to employees will generate an outflow of resources without receiving at least equivalent consideration. When the allocation of shares or stock options is conditional upon the continued service of the beneficiary within the Company during a given future period, the related consideration is yet to be given to the Company, such as in the case of corporate officers. Accordingly, the liability is recognised as a provision determined based on services already rendered by the beneficiary.

Note 3.5 Financial liabilities

Financial liabilities are recognised at face value. However, during the merger of Carmila SAS with Cardety SA in 2017, the financial liabilities were recorded in the acquirer's liabilities, adjusted to their market value including:

- the unrealised loss on hedging instruments in the amount of €22,113 thousand;
- the unrealised loss on fixed-rate bonds expressed at their market value at 31 December 2016, as a result of persistent low interest rates in the period, in the amount of €23,834 thousand.

These adjustments for a total of €45,947 thousand are recognised as income on a straight-line basis for the remaining term of the debt or the underlying instrument. A gain of €6,414 thousand was recognised in the 2022 income statement, reflecting (i) the deferred recognition of these adjustments over several periods and (ii) the portion of the amount deferred relating to repayments of the principal of the Term Loan for €170 million and of the bond for €200.9 million.

Debt issuance costs are expensed in the year in which the debt is issued. As the head of the Group, the Company is responsible for almost all of the Group's financing requirements and manages its interest rate risk.

Interest rate hedges are intended to limit the impact of interest rate fluctuations on variable rate debt. The Company uses over-the-counter financial instruments with top-tier banks as counterparties for these hedges. The derivative instruments used are mainly swaps, caps and swaptions. Gains and losses on these hedging instruments are recognised symmetrically with the gains and losses on the underlying debt.

In order to optimise its hedging, on 18 March 2022 Carmila extended the maturity of two swaps with notional amounts of €25 and €100 million by four and three years, respectively, i.e., to 2031 and 2030. Carmila also entered into a forward swap (starting in 2024, maturing in 2031) and a swaption (starting in 2031, maturing in 2034) on 31 March 2022, with a nominal amount of €125 million. On 13 April 2022, Carmila entered into a forward swap (starting in 2025, maturing in 2031) and a swaption (starting in 2031, maturing in 2035), with a nominal amount of €100 million. On 29 July 2022, Carmila subscribed to a cap spread with a nominal amount of €100 million and a premium of €1.1 million (starting in 2022, maturing in 2026). Lastly, on 14 November, Carmila took out a collar (purchase of a cap and sale of a floor) (starting in 2024, maturing in 2031) with a nominal amount of €75 million and a premium of €1.886 million.

At 31 December 2022, Carmila's portfolio of derivative instruments set up with leading banking partners comprised:

- six fixed-rate borrower swaps at three-month Euribor for a notional amount of €485 million, with the swap covering the longest term expiring in December 2031;
- two caps for a nominal amount of €200 million maturing in 2023 and 2026;
- one tunnel for a nominal amount of €75 million maturing in 2031.

The hedged items still exist and hedge accounting continues to apply. The gain or loss realised on the instruments is carried in a suspense account in the balance sheet and will be written back symmetrically with the gain or loss on the hedged items (i.e., over the life of the instrument).

Note 3.6 Tax regime

The Company has opted for the "SIIC" regime for listed real estate investment firms in France as from 1 January 2015.

The regime is considered to be a specific tax exemption status and not one that offers a lower rate of tax on distributed earnings. In exchange for the exemption, these listed real estate investment firms are required to distribute 95% of their rental income, 70% of their capital gains on disposals and 100% of the dividends received from their "SIIC" subsidiaries as recorded in 2022. In return, the beneficiary is taxed on the distributed profits at the tax rate applicable to the beneficiary, without the possibility of applying the parent subsidiary allowance.

Note 4 Notes to the balance sheet – Assets

Unless indicated otherwise, the values indicated below are in thousands of euros.

Note 4.1 Intangible assets

Other intangible assets comprise software applications which are not material taken individually.

Note 4.2 Financial assets

(in thousands of euros)	Gross amount at 31 Dec. 2021	Increase	Decrease	Gross amount at 31 Dec. 2022
Equity interests	3,449,115			3,449,115
Total equity interests	**3,449,115**	**0**	**0**	**3,449,115**
Loans to subsidiaries	1,868,249	24,500	120,300	1,772,449
Treasury shares	2,351	12,024	11,678	2,696
Lease deposits and guarantees	2		2	0
Total other financial assets	**1,870,601**	**36,524**	**131,980**	**1,775,145**
Financial assets	**5,319,716**	**36,524**	**131,980**	**5,224,260**

Several Group entities partially repaid their shareholder loans for a total of €95.4 million during the year:

- Carmila España SLU repaid €71 million of its shareholder loan and took out a new shareholder loan for €24.5 million, representing a net repayment of €46.5 million;
- Carmila Holding Italia repaid €15 million of its shareholder loan;
- Carmila Mallorca repaid €14.6 million of its shareholder loan;
- Carmila Huelva repaid €7 million of its shareholder loan;
- Carmila Cordoba repaid €5 million of its shareholder loan;
- Carmila Puerto repaid €3.8 million of its shareholder loan;
- Carmila Talavera repaid €2 million of its shareholder loan;
- As Cancelas repaid €1.5 million of its shareholder loan.

At 31 December 2022, Carmila SA held 178,919 treasury shares, comprising shares held in the context of the liquidity agreement and shares held with a view to using them in free share plans.

In 2022, the following transactions were carried out under the liquidity agreement:

- the purchase of 840,087 shares at an average price of €14.31 per share;
- the sale of 821,118 shares at an average price of €14.22 per share.

SUBSIDIARIES AND OTHER EQUITY INTERESTS

(in thousands of euros)	% held	Share capital	Shareholders' equity excluding 2022 net income	2022 net income after tax	2022 net revenue (excl. VAT)	Gross carrying amount of shares	Net carrying amount of shares	Loans and advances outstanding	Guarantees and collateral granted	Dividends received in 2022
1. SUBSIDIARIES (>50%-OWNED)										
France										
Carmila France	100%	707,907	2,278,840	79,716	142,721	2,557,463	2,557,463	1,340,000		
Almia Management	100%	500	1,284	(1,277)	32,534	2,467	764			725
Total France		**708,407**	**2,280,124**	**78,439**	**175,255**	**2,559,929**	**2,558,227**	**1,340,000**	**0**	**725**
Outside France										
Carmila España SL	100%	186,315	290,489	20,483	65,677	415,252	415,252	228,500		10,361
Carmila Talavera SL	100%	4,003	7,596	1,074	2,663	29,455	29,455	4,500		1,457
Carmila Huelva SL	100%	20,003	22,684	4,073	7,100	69,031	69,031	15,900		3,220
Carmila Mallorca SL	100%	37,403	69,110	2,879	9,854	91,447	91,447	54,700		
Carmila Puerto SL	100%	15,788	16,492	(1,585)	1,990	21,349	21,349	10,600		
Carmila Cordoba SL	100%	26,161	26,741	(1,696)	3,202	32,921	32,921	17,600		
Carmila Holding Italia Srl	100%	15,730	151,294	(2,236)	135	183,654	183,654	90,000	10,700	
Total outside France		**305,403**	**584,406**	**22,992**	**90,621**	**843,109**	**843,109**	**421,800**	**10,700**	**15,038**
Total subsidiaries		**1,013,810**	**2,864,530**	**101,431**	**265,876**	**3,403,038**	**3,401,336**	**1,761,800**	**10,700**	**15,763**
2. EQUITY INVESTMENTS (10%-50%-OWNED)										
France										
Outside France										
As Cancelas	50%	900	46,818	3,124	9,058	46,031	46,031	8,200		1,217
Total equity interests	**50%**	**900**	**46,818**	**3,124**	**9,058**	**46,031**	**46,031**	**8,200**		**1,217**
TOTAL		**1,014,710**	**2,911,348**	**104,555**	**274,934**	**3,449,069**	**3,447,367**	**1,770,000**	**10,700**	**16,980**

Note 4.3 Trade and other receivables

(in thousands of euros)	Gross amount at 31 Dec. 2022	Maturing in less than 1 year	Maturing in more than 1 year	Gross amount at 31 Dec. 2021	Maturing in less than 1 year	Maturing in more than 1 year
Trade receivables	329	329		1,671	1,671	
Allowances for trade receivables						
Total trade receivables	**329**	**329**		**1,671**	**1,671**	
Taxes	37	37		463	463	
Other receivables	12,869	2,297	10,572	12,595	12,595	
Prepaid expenses				6	6	
Allowances for other receivables						
Total trade receivables	**12,906**	**2,334**	**10,572**	**13,064**	**13,064**	
TOTAL TRADE AND OTHER RECEIVABLES	**13,235**	**2,663**	**10,572**	**14,736**	**14,736**	

Other receivables mainly comprise €5,153 thousand relating to balancing cash payments on the repayment of swaps and €6,819 thousand relating to premiums paid on contracting new financial instruments. Both of this items are to be recognised over the hedging period.

Note 4.4 Marketable securities

Carmila SA did not have any marketable securities at 31 December 2022.

Note 4.5 Cash at bank and in hand

Cash at bank and in hand comprises the Company's bank account balances and term deposits at 31 December 2022.

Note 4.6 Bond redemption premiums

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount outstanding of €1,961 million. These bonds are repayable at maturity, falling between 2023 and 2031. The premium paid for each issue is recognised over the term of the underlying debt, such that the carrying amount of the bond equals the nominal amount subscribed at maturity. At 31 December 2022, the outstanding amount to be deferred was €3,664 thousand. A total of €1,712 thousand was amortised during the year.

Note 5 Notes to the balance sheet – Equity and liabilities

Note 5.1 Shareholders' equity

(in thousands of euros)	31 Dec. 2021	Increase	Dividend distribution	Appropriation of net income	Share buyback programme	31 Dec. 2022
Share capital	875,389				(12,295)	863,094
Issuance premium	568,973				(17,205)	551,768
Merger premium	1,417,013		(143,556)			1,273,457
Revaluation adjustment	9,448					9,448
Legal reserve	10,105					10,105
Regulatory provisions	370					370
Other reserves	-					0
Retained earnings	56			(11,430)		(11,374)
Net loss for the year	(11,430)	(2,195)		11,430		(2,195)
TOTAL	**2,869,923**	**(2,195)**	**(143,556)**	**0**	**(29,500)**	**2,694,673**

At 31 December 2022, the share capital was made up of 143,704,395 A Shares, each with a par value of six euros (€6), fully subscribed and paid up. The share capital also includes 144,647 D Shares, each with a par value of six euros (€6).

During 2022:

- Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand deducted in full from the merger premium. This amount was paid in full in cash.
- Under the share buyback programmes initiated by the Company on 16 February 2022 and 24 March 2022, 2,039,146 shares were bought back and subsequently cancelled on 13 May 2022, further to a decision by the Chair and Chief Executive Officer, acting on the authority of the Board of Directors, and resulting in a reduction in the share capital in an amount of €12,234,876.
- In accordance with the terms and conditions of the plan dated 16 May 2019, vested C Shares entitle their holders to convert them into A Shares following a two-year mandatory holding period. This period came to an end on 16 May 2022, leading to the conversion of 139,306 C shares into 129,326 A shares. At the end of the 20-day creditors' objection period, on 9 June 2022 the Chair and Chief Executive Officer placed on record that the share conversion had been completed on 16 May 2022, along with the corresponding decrease in share capital. This capital decrease was charged against issuance premiums for €60 thousand.

Note 5.2 Provisions for contingencies and charges and impairment of assets

(in thousands of euros)	31 Dec. 2021	Additions	Reversals	31 Dec. 2022
Provisions for contingencies and charges	**2,162**	**1,232**	**1,579**	**1,815**
Provisions for other contingencies	2,162	1,232	1,579	1,815
Provisions for other charges	0	0	0	0
Impairment/allowances	**44**	**1,702**	**4**	**1,742**
On property, plant and equipment	0	0	0	0
On financial assets	44	1,702	4	1,742
On trade receivables	0	0	0	0
On marketable securities	0	0	0	0
TOTAL	**2,206**	**2,934**	**1,583**	**3,557**

Provisions for other contingencies include the total cost of the free share plans, measured at €1,815 thousand.

Impairment of financial assets include the write-down against Almia Management shares for €1,702 thousand.

Note 5.2.1 Free share plans

The Group operates free share plans for corporate officers and key employees in France, Spain and Italy. Three of the plans remain in effect at 31 December 2022. The cost of these plans is recognised over the vesting period (period of employment to be completed by the beneficiaries before they are able to exercise the options allocated).

The plan allocated in 2019 (plan 6) expired on 16 May 2022 and resulted in the allocation of 129,326 free shares to key employees and corporate officers following the conversion of C shares into A shares.

The plans in effect at 31 December 2022, allocated in 2020, 2021 and 2022, were as follows:

- In 2020, the preference share plan incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2022 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2022;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2022 versus a panel of comparable companies.
- a preference share plan was approved in May 2021 and incorporates a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2023 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2023;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2023 versus a panel of comparable companies.
- a new free share plan was approved in May 2022, again incorporating a service condition as well as criteria relating to the Group's financial performance:
  - one-quarter relates to the overall yield over a three-year period up to end-2024 versus a panel of comparable companies;
  - one-quarter relates to growth in recurring earnings per share over a three-year period;
  - one-quarter relates to the achievement of CSR criteria by end-2024;
  - one-quarter relates to the total shareholder return (TSR) over a three-year period up to end-2024 versus a panel of comparable companies.

Summary of the plans	Plan 6		Plan 7	
	France	Outside France	France	Outside France
Date of General Meeting	16/05/2019		29/06/2020	
Date of allocation	16/05/2019		29/06/2020	
End of vesting period	Tranche 1 – 20%: 14/05/2020 Tranche 2 – 20%: 14/05/2021 Tranche 3 – 60%: 14/05/2022		Tranche 1 – 20%: 29/06/2021 Tranche 2 – 20%: 29/06/2022 Tranche 3 – 60%: 29/06/2023	
End of holding period	16/05/2022		29/06/2023	
Service condition	Service condition influences the conversion ratio of C Shares into A Shares, by tranches as described over the vesting period		Service condition influences the conversion ratio of D Shares into A Shares, by tranches as described over the vesting period	
Performance condition	Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price		Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria	
Shares initially allocated	**121,806**	**23,100**	**117,247**	**27,400**
Shares cancelled/forfeited	(15,580)		(6,850)	
Shares vested	106,226	23,100		
Outstanding shares at 31 December 2022	**0**	**0**	**110,397**	**27,400**

Summary of the plans	Plan 8		Plan 9	
	France	Outside France	France	Outside France
Date of General Meeting	18/05/2021		12/05/2022	
Date of allocation	18/05/2021		12/05/2022	
End of vesting period	18/05/2024		12/05/2025	
End of holding period	18/05/2024		12/05/2025	
Service condition	Service condition influences vesting		Service condition influences vesting	
Performance condition	Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria		Change in NAV versus a panel *Recurring EPS*: annual growth rate Change in share price Achievement of CSR criteria	
Share allocation right	**188,938**	**50,000**	**183,438**	**52,500**
Rights to shares cancelled/forfeited	(8,300)		(3,000)	
Outstanding shares at 31 December 2022	**180,638**	**50,000**	**180,438**	**52,500**

Note 5.3 Bonds and other financial liabilities

(in thousands of euros)	31 Dec. 2021	31 Dec. 2022	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Bonds	2,190,978	1,961,200	322,100	1,189,100	450,000
Bank borrowings	178,267	551,853	1,710	550,143	
Accrued interest on loans	21,842	23,783	23,783		
Commercial paper	200,000	50,000	50,000		
Security deposits	3	-			
TOTAL	**2,591,090**	**2,586,836**	**397,593**	**1,739,243**	**450,000**

At 31 December 2022, gross debt stood at €2,513 million and comprised two main components:

- €1,961 million in bonds; and
- €552 million in a syndicated bank loan.

At 31 December 2022, the Company had also drawn down €50 million under its €540 million commercial paper programme.

Note 5.3.1 Bonds

Carmila has seven bonds, issued in 2015, 2016, 2018, 2019, 2020 and 2021, for a total amount outstanding of €1,961 million. These bonds are repayable at maturity, falling between 2023 and 2031.

In November 2022, Carmila announced the launch of a buyback offer on its bonds maturing on 18 September 2023, of which €523 million remained outstanding. In total, €200.9 million worth of bonds were redeemed, with €322.1 million still outstanding.

At 31 December 2022, the amount of Carmila's bond debt therefore totalled €1,961 million. Issuance premiums represented €3,664 thousand and will be amortised over the residual term of the underlying debt.

Note 5.3.2 Bank loans

Carmila contracted two revolving credit facilities for €270 million and €540 million, maturing in October 2024 and October 2026, respectively, and each including two one-year extension options, one of which was exercised during the period. These facilities include two sustainability criteria designed to support Carmila's strategy to halve its greenhouse gas emissions by 2030 and achieve BREEAM certification for its entire asset portfolio by 2025. The €270 million revolving facility was replaced by a new bank loan.

The revolving facility totalled €540 million at 31 December 2022 and falls due in October 2027. No drawdowns were made during the year by Carmila on the revolving credit facility.

The bank loan was repaid ahead of maturity in an amount of €100 million in 2019, €200 million in 2020, and €300 million in 2021. The remaining €170 million was repaid in July 2022.

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027 and has two one-year extension options.

This new facility was made available in two tranches: the first was drawn in July 2022 and refinanced the above-mentioned loan, while the second amounts to €380 million and was drawn on 30 September 2022.

Note 5.3.3 Interest rate risk management

The Company is exposed to interest rate risk on its variable-rate borrowings. The aim of the interest-rate risk management policy in place is to limit the impact of changes in interest rates in the income statements and on the current and future cash flows using interest rate derivative instruments such as caps, swaps or swaptions.

The fixed-rate position represents 96% of gross debt at 31 December 2022, stable versus end-2021. The position includes fixed-rate payer swaps and two caps for respective notional amounts of €485 million and €200 million (see Note 3.6 "Financial liabilities").

During the year Carmila extended the maturity of two swaps: (i) a swap effective from 2018 with a nominal amount of €25 million, whose maturity was extended from 2027 to 2031, i.e., a term of 13 years, and (ii) a swap with a nominal value of €100 million effective from 2019, whose maturity was extended from 2027 to 2030, i.e., a term of 11 years. It also contracted five new financial instruments (see below).

In the context of an asset disposal transaction at one of its subsidiaries, Carmila SA also entered into a pre-hedge swap on 18 March 2022 with a nominal amount of €75 million. This instrument was unwound in April 2022, generating a positive impact of €2,645 thousand.

The hedged item still exists and hedge accounting therefore continues to apply. The gain or loss realised on the swap is carried forward in a suspense account in the balance sheet and will be written back symmetrically with the gain or loss on the hedged item (i.e., over the life of the swap).

For the remaining hedging instruments in the portfolio at 31 December 2022, their fair value stood at a positive €64,893 thousand at that date. As an example, a 0.50% increase in rates would result in a positive fair value of the hedging instruments of €80,246 thousand. Conversely, a 0.50% decrease in rates would lead to a positive fair value of €48,621 thousand.

Note 5.4 Trade payables

(in thousands of euros)	31 Dec. 2021	31 Dec. 2022	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Trade payables	265	315	315		
Trade payable accruals	3,847	2,905	2,905		
TOTAL TRADE PAYABLES	**4,112**	**3,219**	**3,219**		

This item mostly comprises accrued invoices for intragroup expenses (€1,690 thousand) and overheads (€1,215 thousand).

Note 5.5 Accrued tax and payroll liabilities

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Payroll expenses		
Tax liabilities	123	187
TOTAL	**123**	**187**

Note 5.6 Other payables

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Payables to suppliers of non-current assets		1,225
Other payables	269,352	1,940
TOTAL	**269,352**	**3,165**

In 2021, payables to suppliers of non-current assets mainly comprised accruals for invoices yet to be received from ongoing development projects transferred to Carmila France and Carmila Saran in 2018. These accruals were included in the value of the assets contributed. In 2022, these accruals were written back in full.

Other payables consist of:

- premiums received on swaps to be recognised over the hedging period for €3,549 thousand;
- current accounts granted by Carmila France in connection with cash pooling activities for €264,959 thousand.

Note 6 Notes to the income statement

Note 6.1 Operating income

Other income comprises the re-invoicing of a large portion of the management costs borne by the holding company in the interests of all the subsidiaries.

Note 6.1.1 Other purchases and external charges

(in thousands of euros)	2022	2021
Purchases and subcontracting	(1,004)	(410)
Wages		
Payroll social charges and taxes		
Fees	(2,702)	(3,018)
Bank services	(4,066)	(4,053)
Other	175	(29)
TOTAL	**(7,597)**	**(7,510)**

Fees mainly comprise legal and auditing fees, along with financial reporting fees in the Company's capacity as a listed company.

Bank services mainly relate to set-up fees for the new bank loan and fees related to the public tender offer on the bond for €3.3 million. In 2021, bank services mainly related to fees on the credit facility signed on 21 October 2021 for €3.9 million.

Note 6.1.2 Taxes

(in thousands of euros)	2022	2021
Waste removal tax		
Property tax	(26)	
Value-added contribution		
Miscellaneous taxes	(26)	(11)
TOTAL	**(52)**	**(11)**

Note 6.1.3 Additions to depreciation, amortisation and provisions

For additions to provisions for contingencies and charges, see Note 5.2 "Provisions for contingencies and charges and impairment of assets".

Note 6.2 Financial income and expense

(in thousands of euros)	2022	2021
Financial income	**67,937**	**54,377**
Dividends received	16,980	16,086
Interest received on loans to subsidiaries	38,515	30,694
Other interest income	10,859	6,953
Reversals of impairment and provisions for financial assets	1,583	97
Financial expenses	**64,246**	**58,375**
Additions to impairment and provisions for financial assets	4,645	2,126
Interest expense	59,599	56,212
Share of loss in partnerships	2	38
Expenses on disposals of treasury shares		
Loss on sale of marketable securities		
Interest paid on commercial paper		
NET FINANCIAL INCOME (EXPENSE)	**3,691**	**(3,998)**

Financial income consists primarily of dividends received from subsidiaries in the amount of €16,954 thousand (€878 thousand more than in 2021) and interest received on loans to subsidiaries of €38,515 thousand (€7,821 thousand more than in 2021).

Other interest income mainly relates to the reversal in the income statement of the adjustment to the debt of the company absorbed in 2017 (see Note 3.7 above), the unwinding of the pre-hedge *swap* subscribed in March 2022 and unwound in April 2022 with a positive impact of €2,645 thousand, and interest of €275 million for the year on the term deposit account (€883 thousand more than in 2021).

The increase in financial income is mainly attributable to a rise in interest received on loans to subsidiaries (€7,821 thousand more than in 2021) linked to higher interest rates, and the unwinding of the pre-hedge swap in April 2022, generating a positive impact of €2,645 thousand.

Additions to impairment and provisions for financial assets correspond mainly to impairment of equity investments, amortisation of issuance premiums and free share plans.

Interest expense includes €46,488 thousand in interest on bonds, €5,555 thousand in interest on bank borrowings (€4,019 thousand more than in 2021), and €2,428 thousand in interest on swaps (€2,748 thousand less than in 2021). This item also includes commitment fees on revolving credit facilities amounting to €2,779 thousand and interest on the current account with Carmila France amounting to €1,068 thousand.

The increase in interest expense is mainly attributable to higher interest on the new bank loan owing to a greater nominal amount and interest rate effect.

Note 6.3 Non-recurring income and expense

(in thousands of euros)	2022	2021
Non-recurring income	**1,323**	**421**
Income from asset disposals	0	0
Other non-recurring income	1,323	421
Non-recurring expenses	**(152)**	**(185)**
Book value of asset disposals	0	0
Other non-recurring expenses	(152)	(185)
NET NON-RECURRING INCOME	**1,171**	**236**

Net gains on the sale of treasury shares in connection with the liquidity agreement amounted to €273 thousand.

Note 6.4 Corporate income tax

None.

Note 7 Notes on off-balance sheet commitments

Note 7.1 Commitments given

At 31 December 2022, the loan agreement for a total initial principal amount of €550 million and the committed revolving credit facilities for €540 million agreed between the Company and a syndicate of lending banks, are subject to compliance with the following covenants based on the Company's consolidated financial statements:

- interest coverage ratio: the ratio of EBITDA to the net cost of debt must be greater than 2.00 at the test date;
- loan-to-value: the ratio of consolidated net debt to the fair value of the investment properties (including transfer taxes) must not exceed 55% on the same date (although for one half-year measurement, the ratio may reach a maximum of 60%);
- security interests granted must not exceed 20% of the total fair value of the investment properties; and
- the fair value of the investment properties must not be less than €2,500,000 thousand.

Failure to comply with these covenants entitles the lenders to demand early repayment of their facilities.

At 31 December 2022, the Group complied with the applicable covenants.

Note 7.2 Commitments received

At 31 December 2022, the Company has €540 million of revolving credit facilities with a maturity of five years (including two one-year extension options, one of which was exercised in 2022). On 21 July 2022, Carmila cancelled the first tranche of its €270 million revolving credit facility.

No facilities were drawn down during the year.

Note 7.3 Reciprocal commitments

The Group's interest rate hedging policy uses swaps to hedge over time against higher interest rates on its floating-rate debt. On an outstanding amount of €600 million in floating-rate debt at 31 December 2022, the Company has €485 million in swaps. It also entered into a tunnel with a notional amount of €75 million and two caps with a notional amount of €200 million.

NOTIONAL OUTSTANDING AMOUNTS ON DERIVATIVE INSTRUMENTS AT THE CLOSING DATE BY MATURITY

(in thousands of euros)	31 Dec. 2022	Maturing in less than 1 year	Maturing in 1 to 5 years	Maturing in more than 5 years
Fixed rate borrower (interest rate swap)				
Against Euribor/set quarterly/360	485	0	0	485
Purchase of interest rate options (caps/floor/collars)				
Outstanding	275	100	100	75

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT THE CLOSING DATE

(in thousands of euros)	31 Dec. 2022
Fixed rate borrower (interest rate swap) *(millions of euros)*	**64.9**
Against 3-month Euribor/set quarterly/360	57.8
Purchased interest rate options (caps and floors)	**7.1**

Note 8 Related-party transactions

Transactions with related parties were entered into at arm's length conditions.

Note 9 Other information

Note 9.1 Cash pooling

The Carmila Group's cash in France is pooled, with Carmila SA managing the cash pool.

Note 9.2 Headcount

Carmila SA has no employees.

Note 9.3 Compensation of corporate officers

The amount paid to directors in 2022 was €410 thousand. One corporate officer was seconded by Carrefour Management, and the cost rebilled.

Note 9.4 Subsequent events

None.

Note 10 Information on consolidation

Carmila SA is the ultimate parent company of the Carmila Group and prepares the Group's consolidated financial statements.

6.4 Management report

6.4.1 Significant events of 2022

6.4.1.1 Debt and financing

On 21 July 2022, Carmila signed a new €550 million term loan. The loan matures in 2027 and has two one-year extension options, and pays interest at 3-month Euribor plus 180 basis points.

Part of this new loan financed the redemption offer for Carmila bonds maturing on 18 September 2023. The total nominal amount tendered and approved for redemption was €200.9 million.

Carmila's cash position at end-December amounted to €357 million, which is sufficient to cover the redemption at maturity of all of the bonds outstanding under this issue, representing €322.1 million.

Talks are in progress with Carmila's partner banks regarding future financing transactions, with the next bond maturity after September 2023 falling in September 2024.

At end-2022, the average maturity of Carmila's debt was 4.4 years(1) (versus 4.3 years at end-2021).

6.4.1.2 Share buybacks

During the first half of 2022, Carmila carried out two share buybacks. The first, for €20 million, was announced on 18 February, launched on 21 February and completed on 24 March 2022. The second, for €10 million, was launched on 25 March 2022 and completed on 28 April 2022.

6.4.1.3 1.3 Dividend

Acting on a recommendation from the Board of Directors, Carmila's Annual General Meeting of 12 May 2022 approved the dividend of €1.00 per share for 2021, representing a total payout of €143,556 thousand deducted in full from the merger premium. This amount was paid in full in cash.

6.4.2 Business and financial review

In 2018, Carmila SA terminated its direct operational real estate management activities through the contribution of its assets to wholly owned subsidiaries. Since that date, Carmila has acted as a holding and management company for the equity interests it holds within and outside France.

6.4.2.1 Operating income

Operating income comprises the re-invoicing of a large portion of the management costs borne by the holding company in the interests of all its subsidiaries.

6.4.2.2 Operating expenses

In 2022, operating expenses include the holding company's overhead costs relating to the listing on Euronext Paris Compartment A, including costs of organising financial communication events, fees paid to institutional bodies and fees for legal counsel, rating agencies, Statutory Auditors and banking services.

6.4.2.3 Financial income and expense

Financial income includes:

- dividends received from subsidiaries in an amount of €16,954 thousand, of which €10,361 thousand from Carmila España and €3,220 thousand from Carmila Huelva;
- interest charged on shareholder loans and current accounts granted to subsidiaries in the amount of €38,515 thousand;
- the reversal in the income statement of the adjustment to the debt of the company absorbed in 2017, the unwinding of the pre-hedge swap subscribed in March 2022 and unwound in April 2022 with a positive impact of €2,645 thousand, and interest of €275 million for the year on the term deposit account (€883 thousand more than in 2021).

Financial expenses include:

- additions to impairment and provisions for financial assets, corresponding mainly to impairment of equity investments, amortisation of issuance premiums and free share plans for €4,645 thousand;
- interest expense, including €46,488 thousand in interest on bonds, €5,555 thousand in interest on bank borrowings (€4,019 thousand more than in 2021), and €2,428 thousand in interest on swaps (€2,748 thousand less than in 2021). This item also includes commitment fees on revolving credit facilities amounting to €2,779 thousand and interest on the current account with Carmila France amounting to €1,068 thousand;
- the increase in interest expense is mainly attributable to higher interest on the new bank loan owing to a greater nominal amount and interest rate effect.

The Company reported net financial income of €3,691 thousand for the year.

6.4.2.4 Non-recurring income and expense

Net gains on the sale of treasury shares in connection with the liquidity agreement amounted to €273 thousand.

The net loss for the year amounted to €2,195 thousand.

6.4.3 Information on payables and receivables

As a result of the contribution of operating assets to its subsidiaries in 2018, there are no longer any revenues. Only re-invoicings of expenses generate income. At 31 December 2022, six invoices were pending settlement for €2 thousand, and more than 90 days past due.

Other receivables at 31 December 2022 include €5,153 thousand in balancing cash payments on swaps and €6,819 thousand in premiums paid on new financial instruments. Both of these items are to be recognised over the hedging period.

With regard to suppliers, the payable balances of the balance sheet almost exclusively include accruals for invoices not yet received. There were 33 supplier invoices included in the financial statements at 31 December 2022, representing €244 thousand, or 3.21% of purchases including VAT. €218 thousand of this amount is more than 90 days past due.

(1) *Excluding the September 2023 bond maturity, to be financed by the term loan signed in July 2022.*

6.4.4 Equity interests

Carmila owns equity interests in companies in France, Spain and Italy.

At 31 December 2022, the impairment tests carried out at the reporting date required the Company to recognise impairment against its equity interests in Almia Management for €1,707 thousand.

6.4.5 Appropriation of 2022 net loss

Shareholders will be asked at the Annual General Meeting to be held on 11 May 2023 to approve the appropriation of the 2022 net loss as follows:

Net loss for the year	(2,194,604.92)
Retained earnings	(11,374,092.03)
Distributable earnings	(13,568,696.95)
Addition to legal reserve	0.00
Distribution paid out of distributable income	0.00

Retained earnings after appropriation	(13,568,696.95)

The total amount of the proposed distribution for 2022 will be €1.17 per share and breaks down as follows:

Distribution paid out of distributable income	0.00
Distribution paid out of the merger premium	168,134,142.15

Total distribution	168,134,142.15

from which the dividends on treasury shares will be deducted.

Pursuant to legal disclosure requirements, distributions in respect of the last three financial years were *(in euros/share)*:

Year	Euros/share
2019	1.00
2020	1.00
2021	1.00

6.4.6 Five-year financial summary

The five-year financial summary is as follows:

	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018
SHARE CAPITAL AT YEAR-END					
Share capital[(1)]	€863,094,252.00	€875,389,008.00	€855,701,274.00	€820,091,058.00	€819,370,170.00
Number of existing ordinary shares	143,849,042	145,898,168	142,616,879	136,561,695	136,561,695
OPERATIONS AND EARNINGS					
Revenue (excl. VAT)	€0.00	€0.00	€0.00	€4,000.00	€5,237,070.00
Earnings before income tax, profit-sharing and additions to depreciation, amortisation and provisions	€867,902.36	€(9,401,362.64)	€71,779,627.82	€20,361,824.00	€72,324,927.00
Income tax	€0.00	€0.00	€85,119.13	€371,753.00	€394,234.00
Employee profit-sharing	-	-	-	-	-
Earnings after income tax, profit-sharing and additions to depreciation, amortisation and provisions	€(2,194,604.92)	€(11,429,941.47)	€71,690,537.05	€19,929,793.00	€69,817,496.00
AMOUNT DISTRIBUTED					
• of which net income (loss) for the year:	€0.00	€0.00	€68,144,152.72	€19,031,255.16	€66,336,621.27
• of which retained earnings:					
• of which issuance premium:					
• of which merger premium:	€168,134,142.15	€145,614,215.00	€74,245,122.28	€185,811,287.34	€138,515,921.23
EARNINGS PER SHARE					
Earnings after income tax and profit-sharing but before depreciation, amortisation and provisions	€0.01	€(0.06)	€0.50	€0.15	€0.53
Earnings after income tax, profit-sharing and additions to depreciation, amortisation and provisions	€(0.02)	€(0.08)	€0.50	€0.15	€0.51
AMOUNT DISTRIBUTED PER SHARE[(2)]					
• of which net income (loss) for the year:	€0.00	€0.00	€0.48	€0.14	€0.49
• of which retained earnings:					
• of which issuance premiums:					
• of which merger premiums:	€1.17	€1.00	€0.52	€1.36	€1.01
STAFF					
Average headcount during the year					
Payroll for the year	€481,760.00	€331,989.28	€627,379.05	€1,290,338.00	€1,000,232.00
Amount paid in respect of employee benefits					

(1) Share capital decreased due to the share buyback programmes carried out in 2022.
(2) For 2022, to be submitted for approval to the Ordinary Shareholders' Meeting.

6.5 Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2022

To the Carmila S.A. Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Carmila S.A. for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were addressed in the context of the financial statements taken as a whole, and, in forming our opinion thereon, and we do not provide a separate opinion on specific items of the statutory financial statements.

Key Audit Matters	Responses as part of our audit
Valuation of investments (Notes 3.2.3. and 4.2 to the financial statements) As of 31 December 2022, investments are recorded in the balance sheet at a net carrying amount of €3,447 million and represent 62% of total assets. As indicated in Note 3.2.3 to the financial statements, they are recorded as of their entry date at acquisition cost and impaired when their actual value is less than their acquisition cost. The actual value corresponds to the value in use, determined by taking into consideration revalued equity. Revalued equity of real estate companies is estimated based on valuations of investment property carried out by independent experts twice a year. These valuations take into account specific information about the assets as well as market assumptions. The valuation of investments is considered to be a key audit matter due to the importance of: • this account heading compared to total assets; • the use of assumptions and significant estimates by Management and independent experts, such as the market rental values, the discount and capitalisation rates, for the purpose of the valuation of investment properties; • the sensitivity of these values to assumptions adopted by the experts.	To assess the reasonableness of the value in use estimates of investments, based on the information communicated to us, our work mainly consisted in: • Verifying that the estimate of these values in use made by Management is based on an appropriate valuation method; • Checking the calculation of the share of revalued equity, which takes into account in particular unrealised gains on investment properties; • Comparing the acquisition values of the securities with their value in use; • Assessing the pertinence of the disclosures presented in Note 3.2.3 and 4.2 to the annual financial statements. The procedures that we performed on investment property valuations, retained for the calculations of unrealised gains have mainly consisted in: • Reviewing the investment property valuation process and controls implemented by the Management, notably regarding approval and transmission of information to experts and the review of their works and conclusions; • Assessing the competence and independence of the external appraisers mandated by the entity Carmila S.A., in particular about their reputation and by verifying their certificates of independence included as a statement in their reports; • Conducting interviews with independent appraisers and Management to assess the pertinence of the valuation methodology and assumptions used; • Analysing the change in fair value of the investment properties and assessing the basis with respect to market changes and the situation of the building; • Verifying that the fair value methods used are in line with market practices, and assessing, on a sample basis, the consistency of the valuation assumptions used by the independent experts with the market data available, and particularly the discount and capitalisation rates along with the expected evolutions of net rental incomes; • Corroborating, on a sample basis, the incomes used by the independent experts to value the investment properties with the leases contracts.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of disclosures relating to the payment period required by Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the section of the management report devoted to corporate governance sets out the information required by Articles L.225-37-4, L22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the President and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Carmila S.A. by the Shareholders' Meeting of 25 June 2010 for KPMG and 25 June 2009 for Deloitte & Associés.

As at 31 December 2022, KPMG S.A. was in its 13th year of uninterrupted engagement and Deloitte & Associés in its 14th year of uninterrupted engagement.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code (*Code de commerce*), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion; The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris La Défense, 15 February 2023

French original signed by
The Statutory Auditors

KPMG S.A.

Caroline Bruno-Diaz
Partner

Adrien Johner
Partner

Deloitte & Associés

Emmanuel Proudhon
Partner

6.6 Statutory Auditors' special report on regulated agreements

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2022

To the Carmila S.A. Shareholders' Meeting,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorised and entered into during the year

Pursuant to article L. 225-40 of the French Commercial Code, the following agreement, which was previously authorised by the Board of Directors, has been brought to our attention.

Agreement with Carrefour Management relating to the secondment of Sébastien Vanhoove

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA, as is Carrefour Management), a shareholder holding more than 10% of the voting rights of your Company.

Nature and purpose

On 27 July 2022, your Board of Directors authorised the conclusion of a new agreement for the secondment of Sébastien Vanhoove, under the same terms and conditions of the former agreement expiring on 31 July 2022.

Terms and conditions

On 1 August 2022, your Company and Carrefour Management entered into a four-year partial secondment agreement expiring 31 July 2026, under which Sébastien Vanhoove, an employee of Carrefour Management, is seconded to your Company by Carrefour Management to perform an operational assignment and share his expertise, experience and knowledge with your Company. It is estimated that this specific assignment will account for half the time spent by Sébastien Vanhoove on all his assignments.

During the secondment period, your Company will repay to Carrefour Management half the remuneration paid to Sébastien Vanhoove, the related social security contributions, vacation pay and business expenses reimbursed with respect to the secondment. Considering that Sébastien Vanhoove's objectives will include, throughout the secondment period, components related to his various duties and performance with your Company, the reimbursed wages will include the variable annual compensation attributed to Sébastien Vanhoove in this respect.

Under this agreement, your Company recorded an expense of €279,770 in respect of 2022, for the period commencing 1 August 2022.

Agreements previously approved by shareholders' meetings

Agreements approved in previous years with continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by shareholders' meetings of prior years, had continuing effect during the year.

Renovation and Development Agreement

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA), a shareholder holding more than 10% of the voting rights of your Company.

Nature and purpose

The Carmila SAS Board of Directors' meeting of 31 March 2017 authorised the conclusion of an amendment to the Renovation and Development Agreement entered into between Carmila SAS and Carrefour SA on 16 April 2014. The Carmila SAS Shareholders' Meeting of 12 June 2017 approved this amendment.

As part of the merger-absorption of Carmila SAS by your Company on 12 June 2017, the Company assumed the rights and obligations of Carmila SAS with respect to the Renovation and Development Agreement entered into with Carrefour SA.

Terms and conditions

Wishing to implement a strategy designed to boost the appeal of shopping centers and optimize their value, Carmila SAS and Carrefour SA (acting in their own name and in the name and on behalf of their subsidiaries) entered into a renovation and development agreement on 16 April 2014 (the "Renovation and Development Agreement").

On 3 May 2017, Carmila SAS and Carrefour SA amended the Renovation and Development Agreement in order to:

- incorporate the new assets acquired by the Carmila group in France, Italy and Spain since 16 April 2014 within the scope of assets covered by the Renovation and Development Agreement; and
- incorporate the assets held by your Company and the principles applicable to the development and renovation transactions relating to these assets into the Renovation and Development Agreement and extend the initial term of the Renovation and Development Agreement until 31 December 2027.

No new project acquisition contracts were signed under this agreement in fiscal year 2022. The contracts signed in previous years remained in effect.

Agreement with Carrefour Management relating to the secondment of Sébastien Vanhoove

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA, as is Carrefour Management), a shareholder holding more than 10% of the voting rights of your Company.

Nature and purpose

The Board of Directors' meeting of 27 July 2018 authorised the conclusion of an agreement with Carrefour Management relating to the secondment of Sébastien Vanhoove.

Terms and conditions

On 1 August 2018, your Company and Carrefour Management entered into a four-year partial secondment agreement under which Sébastien Vanhoove, an employee of Carrefour Management, is seconded to your Company by Carrefour Management to perform an operational assignment and share his expertise, experience and knowledge with your Company. It is estimated that this specific assignment will account for half the time spent by Sébastien Vanhoove on all his assignments.

During the secondment period, your Company will repay to Carrefour Management half the remuneration paid to Sébastien Vanhoove, the related social security contributions, vacation pay and business expenses reimbursed with respect to the secondment. Considering that Sébastien Vanhoove's objectives will include, throughout the secondment period, components related to his various duties and performance with your Company, the reimbursed wages will include the variable annual compensation attributed to Sébastien Vanhoove in this respect.

Under this agreement, your Company recorded an expense of €229,665 in respect of fiscal year 2022, for the period up to 31 July 2022.

Service agreement with Carrefour SA

Person concerned

CRFP 13 (company indirectly controlled by Carrefour SA), a shareholder holding more than 10% of the voting rights of your Company.

Nature and purpose

The Board of Directors' meeting of 16 February 2021 authorised the conclusion of a service agreement under which Carrefour SA provides Carmila SAS with the expertise and resources necessary to assist it with monitoring the legal affairs of your company, tax issues, the accounting books and records and the administrative monitoring of insurance contracts. This agreement was signed on 8 March 2021.

Terms and conditions

The initial service agreement with Carrefour and the amendment extending its term expired on 28 February 2021. As your Company does not have the necessary resources to perform certain functions this new agreement was entered into to renew the duties delegated under the previous agreement for a term of five years expiring on 31 December 2025. The agreement provides for compensation of €122,400, including taxes.

Under this agreement, your Company recorded an expense of €122,400 in respect of fiscal year 2022.

Paris-La Défense, 15 February 2023

The Statutory Auditors

KPMG S.A.

Caroline Bruno-Diaz
Partner

Adrien Johner
Partner

Deloitte & Associés

Emmanuel Proudhon
Partner

7. Share capital and ownership structure

7.1 Share capital

7.1.1 Subscribed share capital at 31 December 2022

At 31 December 2022, the Company's share capital amounted to €863,094,252, divided into 143,704,395 shares with a par value of six (6) euros each, fully subscribed and paid up, and all of the same class and 144,647 class D preference shares, each with par value of six (6) euros.

7.1.2 Change in share capital

Changes in 2022

Capital decrease of 13 May 2022

Following the implementation of its share buyback programme and as authorised by the Annual General Meeting of 18 May 2021 (22nd and 31st resolutions), on 13 May 2022, the Chair and Chief Executive Officer placed on record the completion of two share buyback programmes as decided by the Board of Directors:

- on 16 February 2022, for a maximum amount of €20 million; and
- on 24 March 2022, for a maximum amount of €10 million.

The Chair and Chief Executive Officer decided to (i) cancel the 2,039,146 shares bought back and (ii) reduce the share capital by €12,234,876 from €875,389,008 to €863,154,132 comprising 143,859,022 shares, including 143,575,069 A Shares, 139,306 C Shares and 144,647 D Shares.

Capital decrease of 9 June 2022

On 9 June 2022, using the delegation granted by the Board of Directors and having acknowledged the absence of contested claims, at the Board of Directors' meeting of 16 May 2022, the Chair and Chief Executive Officer duly noted the conversion of 139,306 C Shares into 129,326 A Shares representing a €59,880 capital reduction. Following this operation, Carmila's share capital amounted to €863,094,252 divided into 143,849,042 shares comprising 143,704,395 A Shares and 144,647 D Shares.

The summary table below shows the change in the Company's share capital during 2022:

Date	Number of shares	Share capital *(in euros)*
1 January 2022	145,614,215 A Shares(1) 139,306 C Shares(2) 144,647 D Shares(3)	€875,389,008
13 May 2022	143,575,069 A Shares(1) 139,306 C Shares(2) 144,647 D Shares(3)	€863,154,132
9 June 2022	143,704,395 A Shares(1) 144,647 D Shares(3)	€863,094,252

(1) A Shares are ordinary shares.
(2) C Shares are preference shares and do not entitle the holder to voting rights or dividends.
(3) D Shares are preference shares with voting rights but do not entitle the holder to dividends.

Share capital over the last five years

	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018
Share capital	€863,094,252	€875,389,008	€855,701,274	€820,091,058	€819,370,170
Number of A Shares	143,704,395	145,614,215	142,357,425	136,561,695	136,561,695
Number of B Shares	0	0	120,148	120,148	N/A
Number of C Shares	0	139,306	139,306	N/A	N/A
Number of D Shares	144,647	144,647	N/A	N/A	N/A
Theoretical number of voting rights(1)	143,849,042	145,758,862	142,357,425	136,561,695	136,561,695
Effective number of voting rights(2)	143,670,123	145,596,912	142,165,749	136,408,412	136,332,347

(1) The theoretical number of voting rights is calculated based on shares at 31 December, less preference shares stripped of voting rights (i.e., C shares at 31 December 2021, B and C Shares at 31 December 2020, and B Shares at 31 December 2019).
(2) The effective number of voting rights is calculated based on shares at 31 December, less (i) preference shares stripped of voting rights (i.e., C Shares at 31 December 2021, B and C Shares at 31 December 2020, and B Shares at 31 December 2019) and (ii) shares held in treasury that do not entitle the holder to voting rights (i.e., 178,919 shares held in treasury at 31 December 2022, 161,950 shares at 31 December 2021, 191,676 shares at 31 December 2020, 153,283 shares at 31 December 2019 and 229,348 shares at 31 December 2018).

7.1.3 Share capital authorised but not issued – Authorisations granted to the Board of Directors

Delegations of authority currently in force

The Annual General Meeting of 18 May 2021 granted the Board of Directors the following authorisations allowing it to issue securities convertible, redeemable, exchangeable or otherwise exercisable for shares. These authorisations were used as set out below during 2022:

Resolution	Type	Amount	Duration	Expiry date	Use during 2022
22	Trading in the Company's shares	10% of the Company's share capital	18 months	18/11/2022	2,039,146 shares under the buyback programmes authorised by the Board on 16 February 2022 and 24 March 2022, i.e., 1.39% of the share capital
23	Issue of shares and/or marketable securities with pre-emptive subscription rights • Shares • Other marketable securities	€500m €2bn	26 months	18/07/2023	None
24	Issue of shares and/or marketable securities without pre-emptive subscription rights through a public offering • Shares • Other marketable securities	€165m €1bn	26 months	18/07/2023	None
25	Issue of shares and/or marketable securities without pre-emptive subscription rights, as part of a private placement • Shares • Other marketable securities	€165m €1bn	26 months	18/07/2023	None
26	Issue of shares and/or marketable securities as consideration for contributions in kind • Shares • Other marketable securities	€85m €1bn	26 months	18/07/2023	None
27	Issue price, as part of a capital increase through the issue of shares without pre-emptive subscription rights	10% of share capital per year	26 months	18/07/2023	N/A
28	Capital increase by capitalising premiums, reserves, profits	€500m	26 months	18/07/2023	None
29	Increase in the number of shares to be issued in the event of a capital increase with or without pre-emptive subscription rights	15% of initial issue	26 months	18/07/2023	None
30	Share capital increase reserved for members of savings plans, without pre-emptive subscription rights	€85m	26 months	18/07/2023	None
31	Share capital reduction by cancellation of treasury shares	10% of share capital	26 months	18/07/2023	2,039,146 shares cancelled (see section 7.1.5)
32	Allocation of new or existing shares free of consideration to employees and officers of the Company and its subsidiaries	0.20% of the Company's share capital	26 months	18/07/2023	None

In addition, the Annual General Meeting of 12 May 2022 granted the following financial authorisations, which were used as follows during 2022:

Resolution	Type	Amount	Duration	Expiry date	Use during 2022
14	Trading in the Company's shares	10% of the Company's share capital	18 months	12/11/2023	None
15	Share capital reduction by cancellation of treasury shares	10% of share capital	18 months	12/11/2023	None
16	Allocation of new or existing shares free of consideration to employees and officers of the Company and its subsidiaries	1% of the Company's share capital, and 0.5% for corporate officers	26 months	12/07/2024	238,938 free shares allocated (see section 7.2.5)

7.1.4 Shares not representing capital

None.

7.1.5 Share buybacks

Treasury shares

At 31 December 2022, the Company held 178,919 of its own shares directly, of which 104,026 shares under the liquidity agreement, representing a carrying amount of €2,696,461 based on a par value of €6 per share.

Share buyback programme

The Ordinary and Extraordinary Shareholders' Meeting of 12 May 2022 authorised the Board of Directors, for a period of 18 months, to implement a share buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code (*Code de commerce*) and in accordance with the AMF's General Regulation, under the conditions specified below. This authorisation superseded the authorisation previously granted to the Company by the Annual General Meeting of 18 May 2021 to trade in its own shares.

Transaction	Term of the authorisation	Maximum unit price	Maximum amount	Maximum number of shares
Share buyback programme	18 months	€50	€150 million	10% of the Company's share capital

These shares may be acquired at any time up to the limits authorised by the applicable legal or regulatory provisions, including during a public tender offer and/or public exchange offer initiated by the Company or by another party for the Company's securities, for the following purposes:

- implementing any Company stock option plan pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan;
- allocating or selling shares to employees as part of any profit-sharing plans and/or any employee savings plans pursuant to applicable law, in particular Articles L. 3332-1 et seq. of the French Labour Code (*Code du travail*);
- allocating free shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- generally, meeting obligations under stock option plans or other share allocations to employees or corporate officers or affiliated companies; or
- delivering shares on the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or any other means; or
- making a market and promoting the liquidity of the Company's shares through an investment services provider, under a liquidity agreement that complies with the Code of Ethics of the French financial markets association (*Association française des marchés financiers* – AMAFI) approved by the AMF, in accordance with market practices approved by the AMF.

The Company may also:

- cancel all or a portion of the shares thus bought back, provided that the Board of Directors has a valid authorisation from the Shareholders' Meeting, acting in an extraordinary capacity, to reduce the share capital by cancelling shares purchased as part of a share buyback programme; or
- hold the shares for subsequent delivery as payment or in exchange as part of or following any acquisitions.

The programme is also intended to allow the Company to complete any transactions for any other purpose permitted or that may be permitted by law or the applicable regulations, including any market practices that may be permitted by the AMF after the Annual General Meeting of 12 May 2022 and, more generally, the completion of any other transaction in compliance with the applicable regulations. In such an event, the Company will inform its shareholders by way of a press release.

The maximum purchase price of the shares under the buyback programme is set at €50 (or the equivalent amount in any other currency on the same date).

The authorisation granted on 12 May 2022, in force on the filing date of this document, will end after a period of 18 months, i.e., on 12 November 2023, unless a new share buyback programme is authorised by the next Annual General Meeting called to approve the financial statements for the year ended 31 December 2022.

Summary of the share buyback programme

For each of the purposes of the programme, the number of securities purchased was as follows:

(1) Liquidity agreement

On the settlement date of 31 December 2022, under the liquidity agreement with Exane BNP Paribas, the following assets were allocated to the liquidity account:

- 106,026 Carmila shares;
- €1,217,210.

At the last half-year review (30 June 2022) the following assets were allocated to the liquidity account:

- 76,783 Carmila shares;
- €1,535,818.

Under the liquidity agreement, during 2022, 840,087 shares were purchased at an average price of €14.31 per share and 821,118 shares were sold at an average price of €14.22 per share.

(2) Purchase of shares earmarked to cover free share plans for employees and executive corporate officers (Articles L. 225-197-1 *et seq.* of the French Commercial Code)

In 2022, the Company did not engage any investment services providers (ISPs) to cover free share plans for employees and corporate officers.

(3) Cancellation of shares

At its meeting of 16 February 2022, using the authorisation granted by the Annual General Meeting of 18 May 2021, the Board of Directors authorised a new share buyback programme for a maximum amount of €20 million over the period from 21 February 2022 to 31 December 2022. On 23 March 2022, Carmila bought back 1.05 million of its own shares for €14.5 million, in connection with the sale by LVS II Lux VII Sarl via Goldman Sachs of €6.8 million Carmila shares, thereby concluding the €20 million share buyback programme.

At its meeting of 24 March 2022, the Board of Directors authorised a new share buyback programme, to be executed through an investment service provider, for a maximum amount of €10 million. The buyback period opened on 25 March 2022 and ended on 9 May 2022.

As authorised by the Annual General Meeting of 18 May 2021, on 13 May 2022, the Company cancelled 2,039,146 shares purchased under the buyback programme authorised by the Board of Directors at its 16 February 2022 and 24 March 2022 meetings, respectively, for maximum amounts of €20 million and €10 million.

(4) Sale of treasury shares

In 2022, the Company did not sell any treasury shares.

At 31 December 2022, the Company's position was as follows:

	31 Dec. 2022
Number of shares held in the portfolio	178,919
Percentage of capital owned directly and indirectly	0.12%
Number of shares cancelled in the last 24 months	2,643,443
Book value of the portfolio *(in euros)*	2,696,461
Market value of the portfolio *(in euros)*[1]	2,386,779

(1) *Calculated based on the closing share price on 30 December 2022, i.e., €13.34.*

7.1.6 Securities giving access to the share capital

At the date of this document, there are no securities in circulation that are exchangeable for or convertible into shares of the Company or its subsidiaries, or with subscription warrants attached in respect of shares of the Company or its subsidiaries

7.1.7 Conditions governing vesting rights and/or obligations attached to capital subscribed, but not paid-up

None.

7.1.8 Share capital of any Group companies subject to options or option agreements

None.

7.2 Ownership structure

7.2.1 Description of the Company's ownership structure and voting rights

Share capital at 31 December 2022

Shareholders	Number of shares	Percentage of share capital[5]	Percentage of voting rights[6]
CRFP 13[1]	51,815,354	36.02%	36.07%
Predica[2]	14,068,956	9.78%	9.79%
Cardif Assurance Vie[3]	12,957,199	9.01%	9.02%
SA Sogecap[4]	8,688,921	6.04%	6.05%
Treasury shares	178,919	0.12%	-
Management and employees	165,301	0.11%	0.12%
D Shares	144,647	0.10%	0.10%
Free float	55,829,745	38.81%	38.86%
Total	**143,849,042**	**100.00%**	**100.00%**

(1) CRFP 13 is controlled by Carrefour.
(2) Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.
(3) Cardif Assurance Vie is controlled by BNP Paribas.
(4) SA Sogecap is controlled by Société Générale.
(5) Calculated on the basis of the 143,849,042 shares comprising the share capital.
(6) Calculated on the basis of the 143,704,395 shares, 144,647 D Shares and 178,919 treasury shares in the Company that do not entitle the holder to voting rights.

The share capital and voting rights broke down as follows at 31 December 2021 and 31 December 2020:

Share capital at 31 December 2021

Shareholders	Number of shares	Percentage of share capital[5]	Percentage of voting rights[6]
CRFP 13[1]	51,815,353	35.51%	35.59%
Predica[2]	14,068,956	9.64%	9.66%
Cardif Assurance Vie[3]	12,944,249	8.87%	8.89%
SA Sogecap[4]	8,224,492	5.64%	5.65%
Treasury shares	161,950	0.11%	None
Management and employees	183,367	0.13%	0.13%
C Shares	139,306	0.10%	None
D Shares	144,647	0.10%	0.10%
Free float	58,215,848	39.90%	39.98%
Total	**145,898,168**	**100.00%**	**100.00%**

(1) CRFP 13 is controlled by Carrefour.
(2) Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.
(3) Cardif Assurance Vie is controlled by BNP Paribas.
(4) SA Sogecap is controlled by Société Générale.
(5) Calculated on the basis of the 145,898,168 shares comprising the share capital.
(6) Calculated on the basis of 145,596,912 shares, less the 139,306 C Shares and 144,647 D Shares that are stripped of voting rights and the 161,950 treasury shares in the Company that do not entitle the holder to voting rights.

Share capital at 31 December 2020

Shareholders	Number of shares	Percentage of share capital[6]	Percentage of voting rights[7]
CRFP 13[1]	50,487,683	35.40%	35.51%
Predica[2]	13,708,493	9.61%	9.64%
Cardif Assurance Vie[3]	12,605,243	8.84%	8.87%
Colkart[4]	12,528,507	8.78%	8.81%
SA Sogecap[5]	8,466,304	5.94%	5.95%
Treasury shares	191,676	0.13%	N/A
Management and employees	168,795	0.12%	0.12%
B Shares	120,148	0.08%	None
C Shares	139,306	0.10%	None
Free float	44,200,724	31.00%	31.10%
TOTAL	**142,616,879**		**100.00%**

(1) CRFP 13 is controlled by Carrefour.
(2) Predica is controlled by Crédit Agricole Assurances, which is itself controlled by Crédit Agricole SA.
(3) Cardif Assurance Vie is controlled by BNP Paribas.
(4) Colkart comprises Colkart Sarl and Tiera capital SCA – Colkart Subfund, which respectively own 10,478,201 shares representing 7.35% of the share capital, and 2,050,306 shares representing 1.44% of the share capital.
(5) SA Sogecap is controlled by Société Générale.
(6) Calculated on the basis of the 142,616,879 shares comprising the share capital.
(7) Calculated on the basis of 142,165,749 shares, less the 120,148 B Shares and 139,306 C Shares that are stripped of voting rights and the 191,676 treasury shares in the Company that do not entitle the holder to voting rights.

7.2.2 Threshold crossing declarations

Pursuant to Article L. 233-7 of the French Commercial Code, any natural person or legal entity, acting alone or in concert, that comes to hold a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's share capital or voting rights must report their holding to the Company and to the AMF, indicating the total number of shares and voting rights held, within four trading days from the date on which the applicable threshold is crossed. All threshold crossings reported to the AMF are made public by the AMF. The same information must also be reported, in the same time period and under the same conditions, when the percentage of share capital or voting rights falls below the aforementioned thresholds. If threshold crossings are not properly disclosed, the shares exceeding the percentage that should have been disclosed in accordance with the aforementioned legal provisions shall be stripped of their voting rights at any Annual General Meeting held up to two years following the date on which the threshold crossing is finally reported.

In addition to the legal thresholds, Article 8 of Carmila's By-Laws provides that any natural person or legal entity, acting alone or in concert, that comes to hold a number of shares representing 1% or more of the share capital or voting rights, or any multiple thereof, up to a total of 30% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights held, as well as the number of securities giving access to the share capital in the future, and any voting rights potentially attached to those shares, and any shares that such person may acquire by virtue of an agreement or financial instrument. In each case, the information must be reported by registered letter with acknowledgement of receipt within five trading days from the date on which the applicable threshold is crossed. The obligation to inform the Company also applies in cases where the share capital or voting rights held by the shareholder falls below the aforementioned thresholds.

As in the event of failure to comply with the obligation to declare the crossing of a legal threshold, the penalties provided for in Article L. 233-14 of the French Commercial Code also apply in the event of failure to declare the crossing of the thresholds specified in Carmila's own By-Laws, at the request of one or more shareholders holding at least 5% of the share capital or voting rights of the Company, such request being duly recorded in the minutes of the Annual General Meeting.

A standard form to declare the crossing of a legal threshold is available on the AMF website.

To the best of the Company's knowledge, the following legal thresholds were crossed and notified by shareholders to the Company and to the French financial markets authority (*Autorité des marchés financiers* – AMF) during 2022:

- on 28 March 2022, LVS UU Lux Sarl declared that on 28 March 2022 it crossed, in concert with Pimco Global Credit Opportunity Master Fund LDC, the legal threshold of 5% of the Company's share capital and voting rights, and all By-Law thresholds between 1% and 5% of the Company's share capital and voting rights, and that it held 668,317 shares in the Company via Pacific Investment Management Company LLC, through its wholly owned subsidiary Pimco Global Credit Opportunity Master Fund LDC;
- on 13 September 2022, SCI Vendôme Commerces, which is managed by AXA Real Estate Investment Managers France (Axa REIM France), declared to the Company that it had fallen below the thresholds of 4%, 3%, 2% and 1% of the Company's share capital and voting rights on 8 September 2022, following the disposal by SCI Vendôme Commerces of 5,000,000 shares in the Company in the context of an accelerated bookbuilding offering (ABO). The residual interest held by SCI Vendôme Commerces in the Company represents less than 1% of the share capital and voting rights.

7.2.3 Shareholders' agreements

None.

7.2.4 Employee and corporate officer share ownership

Transactions in the Company's securities by corporate officers, including senior executives and related persons

Pursuant to the provisions of Article 223-26 of the AMF's General Regulation, we hereby inform you of the transactions carried out in 2022 by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Transaction date	First name/Last name or company name	Position at the Company on the day of the transaction	Type of transaction	Type of financial instrument	Number of shares	Unit price *(in euros)*	Transaction amount *(in euros)*
24/03/2022	Sébastien Vanhoove	Deputy Chief Executive Officer	Purchase	Shares	1,000	13.8800	13,880.00
16/05/2022	Sébastien Vanhoove	Deputy Chief Executive Officer	Purchase on conversion	Shares	6,962	0	0
22/11/2022	Olivier Lecomte	Lead Independent Director	Sell-buyback	Shares	1,131	13.9000	N/A

Employee share ownership

At 31 December 2022, shares held by Group employees and corporate officers within the meaning of Article L. 225-102 of the French Commercial Code represented 0.03% of the share capital.

7.2.5 Stock options and free share allocations

Stock options

There were no stock option plans in force at 31 December 2022.

Free share allocations

Using the authorisations granted by the Extraordinary Shareholders' Meeting, since 2017, the Board of Directors has implemented free and preference share plans for managers and senior executives.

The vesting of free shares is subject to continuous service and performance conditions concerning the Company's performance assessed over a defined period as the basis for determining the proportion of vested shares.

2019 Free Preference Share Plan (FPSP)

Following a decision taken by the Board of Directors on 16 May 2019, in 2019 the Company set up a share plan for its senior executives and employees, in the form of free class C preference shares ("**C Shares**") convertible into ordinary shares based on the achievement of performance criteria (described below). The plan comprised a total of 144,906 preference shares, of which 6,962 were allocated to Sébastien Vanhoove, 16,244 to Géry Robert-Ambroix and 121,700 to key employees ("**2019 FPSP**"). As it was noted at the meeting that Jacques Ehrmann would be leaving the Board of Directors, no preference shares were allocated to him under the plan.

The plan is conditional upon (i) continued service within the Company at the end of each vesting period, and (ii) the following performance conditions:

- change in overall yield (corresponding to the year-on-year change in triple net asset value [NNNAV] from 31 December 2018 to 31 December 2021, after adding back distributions during the period) compared to a panel of comparable real estate companies;
- annual growth in recurring earnings per share for 2019, 2020 and 2021 compared with the growth commitments made to the financial markets by the Company at the start of each year upon the publication of the Company's prior-year results;
- the percentage (in appraisal value, including transfer taxes) of assets in the Company's portfolio for which environmental certification was obtained at 31 December 2021;
- change in the total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing the average closing price over the last 40 trading days in 2021, after adding back any distributions between 1 January 2019 and 31 December 2021, by the closing price at 31 December 2018, i.e., €16.16.

The maximum total number of ordinary shares that may be created as a result of the conversion of the class C preference shares allocated under the plan may not represent more than 0.11% of the Company's share capital at the date of the Annual General Meeting of 16 May 2019 or more than 0.02% for the shares allocated to the corporate officers.

At its meeting on 16 May 2020, the Board of Directors decided to increase the share capital by €835,836 by creating 139,306 C Shares, and to amend the By-Laws accordingly.

At its 26 November 2020 meeting, the Board of Directors decided that upon his departure, Géry Robert-Ambroix, Deputy Chief Executive Officer and Asset Valuation and Investment Director under an employment contract with Almia Management, would retain the 16,244 C Shares allocated to him.

On 16 May 2022, the Board of Directors placed on record the attainment rate of the 2019 FPSP performance conditions and set the conversion ratio at 100%. Therefore, in view of the continued service of the beneficiaries within the Company, the 139,306 class C shares allocated entitle holders to the conversion of 129,326 class A shares, of which 6,962 to Sébastien Vanhoove, Deputy Chief Executive Officer.

Summary of A Shares vested in 2022

Date of the Annual General Meeting	Date of the Board of Directors' meeting/Date of allocation	Category of shares allocated	Number of shares originally allocated under the plan	Vesting date of free shares	Number of shares issued	Date of conversion into A Shares	Number of unconverted shares/cancelled share rights	Number of A Shares vested in 2022
16/05/2019	16/05/2019	C Shares	144,906	16/05/2020	139,306	16/05/2022	9,980	129,326

2020 Free Preference Share Plan

Following a decision taken by the Board of Directors on 29 June 2020, in 2020 the Company set up a new share plan for its senior executives and employees, in the form of free preference shares convertible into ordinary shares based on the achievement of performance criteria (described below). The plan comprised a total of 150,000 preference shares, of which 13,587 were allocated to Alexandre de Palmas, 6,114 to Sébastien Vanhoove, 14,266 to Géry Robert-Ambroix, and 111,780 to key employees.

The plan is conditional upon (i) continued service within the Company at the end of each vesting period, and (ii) the following performance conditions:

- change in overall yield (corresponding to the year-on-year change in triple net asset value [NNNAV] from 31 December 2019 to 31 December 2022, after adding back distributions during the period) compared to a panel of comparable real estate companies;
- annual growth in recurring earnings per share for 2020, 2021 and 2022 compared with the growth commitments made to the financial markets by the Company at the start of each year upon the publication of the Company's prior-year results;
- the percentage (in appraisal value, including transfer taxes) of assets in the Company's portfolio for which environmental certification was obtained at 31 December 2022;
- change in the total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing the average closing price over the last 40 trading days in 2022, after adding back any distributions between 1 January 2020 and 31 December 2022, by the closing price at 31 December 2019, i.e., €18.40.

The maximum total number of ordinary shares that may be created as a result of the conversion of the preference shares allocated under the plan may not represent more than 0.11% of the Company's share capital at the date of the Annual General Meeting of 29 June 2020 or more than 0.02% for the shares allocated to the corporate officers.

At its 26 November 2020 meeting, the Board of Directors decided that Alexandre de Palmas, having stepped down from his position as Chairman and Chief Executive Officer of Carmila, further to his appointment as Executive Director of Carrefour Spain, would retain his rights to the D Shares allocated to him, in accordance with the terms and conditions set out in the regulations of the 2020 Preference Share Plan, to the extent that he continues to hold a position within the Carrefour group.

At the same meeting, the Board of Directors decided that Géry Robert-Ambroix, Deputy Chief Executive Officer and Asset Valuation and Investment Director under an employment contract with Almia Management, would retain the 14,266 D Shares allocated to him.

2021 Free Share Plan (FSP)

Following a decision taken by the Board of Directors on 18 May 2021, in 2021 the Company set up a free share plan for its senior executives and employees (the "**2021 FSP**") subject to service and performance conditions. The plan comprised a total of 238,938 free shares, of which 44,248 were allocated to Marie Cheval, 11,615 to Sébastien Vanhoove and 183,075 to key employees.

The plan is conditional upon (i) continued service within the Company at the end of a three-year vesting period (i.e., 18 May 2024), and (ii) the following performance conditions assessed over three years (2021-2023):

- performance condition 1 (25% of the allocation): change in the total shareholder return (TSR) corresponding to the change in EPRA Net Tangible Assets (NTA) at 31 December 2023, after adding back distributions over the 2021-2023 period and EPRA NTA at 31 December 2020, compared to a panel of comparable listed real estate companies;
- performance condition 2 (25% of the allocation): average recurring earnings per share over the 2021-2023 period;
- performance condition 3 (25% of the allocation): CSR criteria including objectives related to the Gender Equality Index, the Carbon Disclosure Project (CDP) rating and GRESB rating at 31 December 2023;
- performance condition 4 (25% of the allocation): Carmila's total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing (i) the average closing price over the last 40 trading days in 2023, after adding back any distributions between 1 January 2021 and 31 December 2023; by (ii) the average closing price of the last 40 trading days of 2020.

The maximum total number of free shares allocated under the plan may not represent more than 0.20% of the Company's share capital at the date of the Annual General Meeting of 18 May 2021 or more than 0.05% for the shares allocated to the corporate officers.

2022 Free Share Plan

Following a decision taken by the Board of Directors on 12 May 2022, in 2022 the Company set up a free share plan for its senior executives and employees (the "**2022 FSP**") subject to service and performance conditions. The plan comprised a total of 238,938 free shares, of which 44,248 were allocated to Marie Cheval, 11,615 to Sébastien Vanhoove and 183,075 to key employees.

The plan is conditional upon (i) continued service within the Company at the end of a three-year vesting period (i.e., 12 May 2025), and (ii) the following performance conditions assessed over three years (2022-2024):

- performance condition 1 (25% of the allocation): change in the total shareholder return (TSR) corresponding to the change in EPRA Net Tangible Assets (NTA) at 31 December 2024, after adding back distributions over the 2022-2024 period and EPRA NTA at 31 December 2021, compared to a panel of comparable listed real estate companies;
- performance condition 2 (25% of the allocation): recurring earnings per share in 2024 at constant scope;
- performance condition 3 (25% of the allocation): CSR criterion relating to the reduction of the Company's greenhouse gas emissions, with a 40% emissions reduction target to be achieved by 31 December 2024 (based on greenhouse gas emissions at 31 December 2019);
- performance condition 4 (25% of the allocation): Carmila's total shareholder return (TSR) corresponding to the change in the Company's share price over the vesting period compared with that of a panel of comparable listed real estate companies. Carmila's TSR will be calculated by dividing (i) the average closing price over the last 40 trading days in 2024, after adding back any distributions between 1 January 2022 and 31 December 2024; by (ii) the average closing price of the last 40 trading days of 2021.

The maximum total number of free shares allocated under the plan may not represent more than 1% of the Company's share capital at the date of the Annual General Meeting of 12 May 2022, or more than 0.5% for the shares allocated to the corporate officers.

Details of plans in force as of 31 December 2022:

Plan	2019 FPSP(1)	2020 FPSP(2)	2021 FSP	2022 FSP
Date of Carmila Annual General Meeting	16/05/2019	29/06/2020	18/05/2021	12/05/2022
Date of allocation by Carmila	16/05/2019	29/06/2020	18/05/2021	12/05/2022
Number of beneficiaries	46	47	51	44
Number of Carmila shares originally allocated under the plan	144,906	145,747	238,938	238,938
• o/w Marie Cheval	N/A	N/A	44,248	44,248
• o/w Alexandre de Palmas	N/A	13,587(3)	N/A	N/A
• o/w Géry Robert-Ambroix	16,244(4)	14,266(4)	N/A	N/A
• o/w Sébastien Vanhoove	6,962	6,114	11,615	11,615
• o/w other employees	121,700	111,780	183,075	183,075
Number of preference shares issued	139,306	144,647	-	-
Residual number of preference shares to be converted or free shares to be allocated at 31 December 2022	0	141,927	230,638	235,938
Issue and vesting dates of C Shares(1)	16/05/2020	N/A	N/A	N/A
Issue and vesting dates of D Shares(2)	N/A	29/06/2021	N/A	N/A
Date of conversion of preference shares into ordinary shares (A Shares)	16/05/2022	29/06/2023	N/A	N/A
Number of share rights cancelled	N/A	N/A	8,300	3,000
Vesting date	16/05/2020	29/06/2021	18/05/2024	12/05/2025
Availability date	16/05/2022	29/06/2023	19/05/2024	13/05/2025

(1) *The preference share plans provide for the creation of C Shares one year after the allocation date, which vest to the beneficiaries and will be converted into ordinary Carmila shares at the end of the plan subject to service and performance conditions.*
(2) *The preference share plans provide for the creation of D Shares one year after the allocation date, which vest to the beneficiaries and will be converted into ordinary Carmila shares at the end of the plan subject to service and performance conditions.*
(3) *On 26 November 2020, the Board of Directors decided that Alexandre de Palmas, formerly Chief Executive Officer, would retain his rights to D Shares, in accordance with the terms and conditions of the 2020 FPSP plan rules.*
(4) *On 26 November 2020, the Board of Directors decided that Géry Robert-Ambroix, formerly Deputy Chief Executive Officer, would retain his rights to C and D Shares, in the context of his departure from the Company.*

7.2.6 Agreements which may lead to a change of control

To the best of Carmila's knowledge, at the date of this document, no agreement exists that could result in a change of control over Carmila.

7.2.7 Information governed by Article L. 233-13 of the French Commercial Code

At 31 December 2022, the share capital of the Company was held by the following major shareholders:

- Carrefour SA, a French joint-stock company with its head office at 93 avenue de Paris, 91300 Massy, France, held more than one-third of the share capital and voting rights;
- Predica, with its head office at 50-56 rue de la Procession, 75015 Paris, France held more than one-twentieth of the share capital and voting rights;
- Cardif Assurance vie, with its head office at 1 boulevard Haussmann, 75009 Paris, France held more than one-twentieth of the share capital and voting rights;
- Sogecap, with its head office at 17 bis, place des Reflets, 92919 Paris-La Défense, France held more than one-twentieth of the share capital and voting rights.

7.2.8 Effects of a public tender offer or public exchange offer (Article L. 22-10-11 of the French Commercial Code)

To the best of the Company's knowledge, its ownership structure is as set out in the table in Section 7.2.1 of this Universal Registration Document.

The Company has not issued any securities carrying special control rights and no control mechanism is provided for in any employee share ownership scheme, where control rights are not exercised by employees.

In addition, there are no agreements providing for compensation for the members of the Board of Directors or employees if they resign or are dismissed without just cause, or if their office or employment is terminated as a result of a public offer.

8.

Additional information

8.1 Information on the Company

8.1.1 Legal and commercial name

The Company is registered under the corporate name "Carmila".

8.1.2 Registration place and number

The Company is registered with the Nanterre Trade and Companies Registry under number 381 844 471.

The Company's Legal Entity Identifier is 222100P6D3QKU33LZQ72.

8.1.3 Date of incorporation and term

The Company was incorporated on 6 March 1991 for a term to expire on 1 May 2090, except in the event of an early dissolution or an extension provided for in the By-Laws.

8.1.4 Registered office, legal form and applicable jurisdiction

The Company's registered office is at 58, avenue Émile-Zola, 92100 Boulogne-Billancourt, France (Tel.: +33 1 58 33 64 99).

The Company's website is: carmila.com (information provided on the Company's website will not be included in the prospectus, unless such information is included by reference in the prospectus).

The Company is a joint-stock company (*société anonyme*) incorporated under French law with a Board of Directors, and is governed by the laws and regulatory provisions of the French Commercial Code (*Code de commerce*).

8.2 Articles of incorporation and By-Laws

Purpose statement (preamble to the By-Laws)

At Carmila, proximity is at the heart of everything we do.

We provide everybody with access to a responsible offering of everyday, useful products and services. We connect retailers and customers as closely as possible to where people live. We develop and manage centres on a human scale that are practical and friendly, and which create ties, revitalising local regions and fostering a sense of community.

Partnering with retailers and our tenants, we innovate alongside them to develop services that improve our customers' shopping experience and offer them a pleasant and simple time.

Through our proximity to the communities we serve, we fulfil our mission: simplify and enhance everyday life for tenants and customers in all our regions.

8.2.1 Corporate purpose (Article 3 of the By-Laws)

Pursuant to Article 3 of the By-Laws, the Company's main purpose is to acquire or construct commercial or industrial buildings or groups of buildings for leasing or rental purposes, to directly or indirectly hold equity interests in legal entities whose purpose is to acquire or construct buildings or groups of commercial buildings for leasing or rental purposes, and, more generally, to hold and operate sites and commercial or industrial buildings or groups of buildings, and in particular, shopping centres, located in France and abroad, for leasing or rental purposes, to:

- acquire by any means (including through exchange or contribution or any other type of transfer) and/or construct any sites, buildings, assets and property rights for leasing or rental purposes; to manage, administer, rent, lease and develop any sites, assets and property rights; to furnish and equip all building complexes for rent; and any other activities associated with or related to the abovementioned business, directly or indirectly, acting alone or through an association, joint venture, group or company with any other persons or companies;
- participate, by any means, in transactions relating to its purpose by way of acquisition of equity interests or investments, by any means and in any form, in any French or foreign real estate, industrial, financial or commercial company, in particular by way of acquisition, creation of new companies, subscription or purchase of securities or corporate rights, contributions, mergers, alliances, joint ventures, economic interest groups or otherwise, as well as to administer, manage and control these equity interests or investments;
- on an exceptional basis: exchange or dispose of securities held, property rights or assets or real estate acquired or built for leasing or rental purposes in accordance with the Company's main purpose by way of sale, contribution or otherwise; and
- generally, all commercial, financial and industrial transactions, as well as all transactions in movable or real property relating directly or indirectly to the purpose of the Company and any similar or connected purpose likely to facilitate the completion thereof or promoting its extension or development (including, in particular, concerning buildings or groups of buildings for leasing or rental purposes, other than for commercial purposes).

8.2.2 Rights, privileges and restrictions with respect to shares

Class of shares (Article 7 of the By-Laws)

The shares are divided into two classes: 143,704,395 A Shares, which are ordinary shares, and 144,647 D Shares, which are preference shares issued in accordance with Articles L. 228-11 *et seq.* of the French Commercial Code.

A Shares

Voting rights (Article 10 of the By-Laws)

Each A Share entitles the holder to one (1) vote.

Dividends rights and liquidation dividends rights (Article 10 of the By-Laws)

Each A Share entitles the holder to dividend rights in proportion to the number of existing A Shares. Each A Share entitles the holder to liquidation dividends in proportion to the number of existing shares.

D Shares

Voting rights (Article 10 of the By-Laws)

Each D Share entitles the holder to one (1) vote.

Dividends rights and liquidation dividends rights (Article 10 of the By-Laws)

D Shares do not carry dividend rights. Each D Share entitles the holder to liquidation dividends in proportion to the number of existing shares.

Conversion into A Shares (Article 10 of the By-Laws)

After the D Share lock-up period determined in the D Share plans under which they are allocated, D Shares will automatically be converted into A Shares, it being specified that, with respect to the Company's corporate officers, the Board of Directors would have the option of delaying the conversion date to the date of termination of their duties as corporate officers within the Company.

Each D Share would carry the right of a maximum of one (1) A Share, subject to meeting the performance conditions as provided under Article 10 of the By-Laws. The number of A Shares that may result from the conversion of the D Shares will be calculated by the Board of Directors on the lock-up period expiry date according to the extent to which the performance conditions have been met, it being stated that if the average attainment rate of the applicable performance conditions exceeds 100%, the conversion ratio will be, as the case may be, one (1) A Share for one (1) D Share.

The maximum total number of A Shares likely to result from the conversion of D Shares may not exceed 150,000. This number does not take into account any adjustments made to preserve the rights of the beneficiaries of D Shares, in accordance with the relevant legal and regulatory provisions and, where necessary, contractual provisions.

Buyback of the D Shares (Article 10 of the By-Laws)

In the event that, after the lock-up period expiry date, the number of A Shares to which the D Shares held by some or all of the holders would give rights through conversion is equal to zero, the Company will, at its sole initiative, buy back said D Shares for the purpose of cancelling them.

All D Shares bought back in this way will be permanently cancelled on their buyback date and the Company's share capital reduced by that amount, with creditors benefiting from a right to oppose.

D Shares will be bought back at par.

The Company will notify D Shareholders of the buyback by any means prior to the actual buyback date.

The Board of Directors must note the number of any D Shares bought back and cancelled by the Company, and make the necessary amendments to the Company's By-Laws to reflect the new capital.

Pre-emptive subscription rights

The Company's shares will carry pre-emptive subscription rights to capital increases under the conditions set out in the French Commercial Code.

Participation in Shareholders' Meetings (Article 19 of the By-Laws)

Shareholders may attend meetings in person or by proxy. Any shareholder may be represented or vote by mail, in accordance with the terms and conditions provided for by applicable law.

The ability to participate in Shareholders' Meetings is subject to the registration of the shares in the name of the shareholder or intermediary registered on the shareholder's behalf, two business days before the relevant meeting at midnight, Paris time, either in the registered share accounts held by the Company or in the bearer share accounts held by the authorised intermediary. For holders of bearer shares, the certificate of participation justifying the ownership of their shares will be issued by the authorised intermediary holding their account and will allow them to participate in the Shareholders' Meeting.

Upon the decision of the Board of Directors in its notice of meeting, any shareholder may also participate and vote in Shareholders' Meetings by video-conference or any other means of telecommunication, including online, provided that the means of communication permits the identification of the shareholder in question in accordance with the terms and conditions set out by the applicable law and regulations.

Procedures for convening and conducting Ordinary and Extraordinary Shareholders' Meetings (Articles 20 and 22 of the By-Laws)

Ordinary and Extraordinary Shareholders' Meetings held under the legally prescribed quorum and majority conditions exercise the powers granted to them under law. They will be convened by the Board of Directors under the conditions and within the time limits set out by law.

Special Shareholders' Meetings (Article 23 of the By-Laws)

D Shareholders are consulted on issues that fall specifically within their competence under the law.

Only D Shareholders entered in the Company accounts may attend these Special Shareholders' Meetings and take part in the vote. Special D Shareholders' Meetings exercise powers in accordance with the conditions set out in the applicable regulations.

Decisions taken by the Company in a Shareholders' Meeting are only final following approval by the Special D Shareholders' Meeting where these decisions modify rights relating to D Shares.

Identifiable bearer shares (Article 8 of the By-Laws)

The Company may use means authorised by the applicable laws and regulations for identifying holders of shares conferring an immediate or future right to vote in its Shareholders' Meetings, and may apply any sanctions related to such shares.

Holders who fail to comply with requests for information within the time limit provided for by the applicable laws and regulations, or who provide incomplete or inaccurate information as to their capacity or as to the owners of the shares or the number of shares held by each of them – where such shares give immediate or future access to the share capital and for which the holder is a registered holder – will be stripped of voting rights for any Shareholders' Meetings held before the date on which the identification information is corrected, and the payment of any corresponding dividend will be deferred until such date.

8.2.3 Board of Directors and Executive Management

Board of Directors (Article 12 of the By-Laws)

The Company is managed by a Board of Directors consisting of three to eighteen members, subject to derogations provided for by law in the event of a merger.

The Board of Directors shall be renewed each year on a staggered basis, so that renewals concern only a portion of the Board members in any given year. The duration of a Director's term of office is four years. To facilitate the staggered re-appointment of the Board of Directors, the Shareholders' Meeting may exceptionally designate one or more Directors for a different duration, which may not exceed four years.

No more than one-third of the standing members may be over the age of 70.

Chair of the Board of Directors (Article 13 of the By-Laws)

The Board of Directors shall elect a Chair from among its members, who must be a natural person. The Chair organises and directs the work of the Board of Directors, on which he or she reports to the Shareholders' Meeting. He or she ensures the effective operation of the Company's governance bodies and ensures, in particular, that the Directors are able to perform their duties.

Chief Executive Officer (Article 14 of the By-Laws)

The Executive Management of the Company is under the responsibility of either the Chair of the Board of Directors, or another natural person appointed by the Board of Directors, with the title of Chief Executive Officer. The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of the Company. These powers are exercised within the limits of the Company's corporate purpose and subject to those expressly attributed by law and the By-Laws to the Shareholders' Meetings and the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties.

8.3 Person responsible for the Universal Registration Document and statement

8.3.1 Name

Marie Cheval

Chair and Chief Executive Officer of Carmila

8.3.2 Statement by the person responsible for the Universal Registration Document and the Annual Financial Report

"I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omissions likely to affect its meaning.

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the management report faithfully reflects the changes in the business, results and financial position of the Company and of all companies included in the scope of consolidation, while presenting the main risks and uncertainties faced by them."

Marie Cheval, Chair and Chief Executive Officer of Carmila

8.4 Statutory Auditors

	First appointed	Latest re-appointment	Expiry of term(1)
Deloitte & Associés 6 place de la Pyramide, 92908 Paris-La Défense Cedex Signing partner: Emmanuel Proudhon	1 December 2008	18 May 2021	2027
KPMG SA 2, avenue Gambetta (Tour Eqho), 92066 Paris-La Défense Cedex Signing partners: Caroline Bruno-Diaz and Adrien Johner	26 May 2016	12 May 2022	2028

(1) Date of the Annual General Meeting called to approve the financial statements for the previous year ended 31 December.

8.5 Person responsible for the financial information

Pierre-Yves Thirion

Chief Financial Officer of Carmila

8.6 Documents available to the public

Copies of this document and other documents related to the Company, in particular its By-Laws, financial statements, reports submitted to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors, are available free of charge at the Company's registered office (58, avenue Émile-Zola – 92100 Boulogne-Billancourt). These documents may also be found on the Company's website (www.carmila.com/en).

This document can also be consulted on the Company's website (www.carmila.com/en/finance/registration-documents) and the website of the French financial markets authority (*Autorité des marchés financiers* – AMF) (www.amf-france.org).

8.7 Cross-reference tables

8.7.1 Cross-reference table for the Universal Registration Document

Annex I Commission Delegated Regulation (EC) no. 2019/980	Chapter/section no.
1/ Persons responsible, information originating from third parties, expert statements and approval by the competent authority	8.3.1/8.3.2
2/ Statutory Auditors	
2.1. Identity	8.4
2.2. Any changes	N/A
3/ Risk factors	3.2
4/ Information about the issuer	
4.1. Legal and commercial name	8.1.1
4.2. Place of registration, registration number and legal entity identifier (LEI)	8.1.2
4.3. Date of incorporation and length of life	8.1.3
4.4. Domicile and legal form, applicable legislation, address and telephone number of the registered office and website	8.1.4
5/ Business overview	
5.1. Principal activities	1/2.1/2.2
5.2. Principal markets	1
5.3. Important events	N/A
5.4. Strategy and objectives	1/2.1.3/4.1
5.5. Dependence of the issuer	N/A
5.6. Competitive position	1
5.7. Investments	2.1.4
6/ Organisational structure	
6.1. Brief description of the Group	3.1
6.2. List of significant subsidiaries	3.1.3
7/ Operating and financial review	
7.1. Financial condition	2.3/2.4/6.1
7.2. Operating results	6.1
8/ Capital resources	
8.1. Information on capital resources	2.4.6/6.1.4
8.2. Cash flows	6.1.3
8.3. Borrowing requirements and funding structure	2.4
8.4. Restrictions on the use of capital resources	2.4
8.5. Anticipated sources of funds	2.4
9/ Regulatory environment	3.2.2/3.2.3/3.2.4
10/ Trend information	
10.1. Most significant recent trends since the end of the last financial year	2.1
10.2. Events likely to have a material effect on the issuer's prospects	N/A
11/ Profit forecasts or estimates	2.1.4

Annex I Commission Delegated Regulation (EC) no. 2019/980	Chapter/section no.
12/ Administrative, management and supervisory bodies and Executive Management	
12.1. Board of Directors and Executive Management	5.1.1/5.1.2
12.2. Conflicts of interest in respect of the administrative, management and supervisory bodies and Executive Management	5.1.3.1
13/ Compensation and benefits	
13.1. Compensation and benefits in kind	5.2
13.2. Amounts set aside or accrued to provide pension, retirement or similar benefits	5.2.1
14/ Board practices	
14.1. Date of expiry of terms of office	5.1.2.1
14.2. Service contracts	5.2.1
14.3. Information about the Audit Committee and the Compensation Committee	5.1.3.3
14.4. Statement on compliance with the applicable corporate governance regime	5
14.5. Potential material impacts on corporate governance	N/A
15/ Employees	
15.1. Number and breakdown of employees	4.6.6/6.1 Note 12.2
15.2. Shareholdings and stock options held by members of the Board of Directors and Executive Management	5.2.2.3/7.2.5
15.3. Employee share ownership agreement	7.2.5
16/ Major shareholders	
16.1. Threshold crossings	7.2.2
16.2. Different voting rights	8.2.2
16.3. Direct or indirect control	7.2.1
16.4. Arrangements that could result in a change in control	7.2.6
17/ Related-party transactions	6.1 Note 11
18/ Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
18.1. Historical financial information	2.1/2.2/2.3/2.4/6.1/6.3/6.4.6
18.2. Interim and other financial information	N/A
18.3. Auditing of historical financial information	6.2/6.5
18.4. Pro forma financial information	N/A
18.5. Dividend policy	2.4.5
18.6. Legal and arbitration proceedings	3.5
18.7. Significant changes in financial position	N/A
19/ Additional information	
19.1. Share capital	2.4.6/7.1
19.1.1. Subscribed capital	7.1.1
19.1.2. Other shares	7.1.4
19.1.3. Treasury shares	7.1.5
19.1.4. Securities	7.1.6
19.1.5. Acquisition conditions	7.1.7
19.1.6. Options or agreements	7.1.8
19.1.7. History of the share capital	7.1.2
19.2. Articles of incorporation and By-Laws	8.2
20/ Material contracts	3.6
21/ Documents available	8.6

8.7.2 Cross-reference table for the Annual Financial Report

Headings in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*)	Chapter/section no.
1/ Management Report	2/3/6.4
2/ Consolidated financial statements	6.1
3/ Statutory financial statements	6.3
4/ Statutory Auditors' report on the statutory financial statements and consolidated financial statements	6.2/6.5
5/ Corporate Governance Report	5
6/ Statutory Auditors' report on the Corporate Governance Report	5.4
7/ Declaration by the physical persons responsible for the Annual Financial Report	8.3

8.7.3 Cross-reference table for the Management Report

Reference texts			Chapter/section no.
COMMENTS ON THE FINANCIAL YEAR			
French Commercial Code	L. 225-100-1, L. 232-1, L. 233-6 and L. 233-26	Situation of the Company during the financial year ended and objective and comprehensive analysis of changes in the business, results and of the Company and Group	2
French Commercial Code	L. 225-100-1	Key non-financial performance indicators relating to the Company's specific business	2.1/2.2
French Commercial Code	L. 225-102-1	Non-financial statement	4
French Commercial Code	L. 233-6	Significant equity interests taken during the financial year in companies with their registered office in France	3.1.3
French Commercial Code	L. 232-1 and L. 233-26	Significant events between the financial year closing date and the date of this report	6.1 Note 13.1
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the Company or Group situation	2.1.4
French Tax Code (Code général des impôts)	243 bis	Dividends distributed in respect of the last three financial years and amount of income distributed in respect of these same financial years eligible for the 40% tax credit	6.4
French Commercial Code	L. 441-6, L. 441-6-1 and D. 441-4	Information on the Company's supplier and customer payment terms	6.4
GROUP PRESENTATION			
French Commercial Code	L. 225-100-1	Description of the main risks and uncertainties faced by the Company	3.2
French Commercial Code	L. 225-100-1	Financial risks related to the effects of climate change and presentation of measures taken by the Company to mitigate them by implementing a low-carbon strategy in all areas of its activity	3.2.5/4.1.2/4.2
French Commercial Code	L. 225-100-1	Principal characteristics of internal control and risk management procedures put in place by the Company relating to the preparation and processing of accounting and financial information	3.4
French Commercial Code	L. 225-100-1	Indications about the objectives and policy for hedging each main category of transactions for which hedge accounting is used	6.1 Note 6.3
French Commercial Code	L. 225-100-1	The Company's exposure to price, credit, liquidity and cash risks	6.1 Note 6.3
French Commercial Code	L. 225-102-1, R. 225-105 and R. 225-105-1	Social and environmental consequences of the activity and related Statutory Auditors' report	4
French Commercial Code	L. 225-102-1	Collective agreements concluded in the Company and impacts on the Company's financial performance as well as on employees' working conditions	4.4/3.2.5

Reference texts			Chapter/section no.
French Commercial Code	L. 225-102-2	In the event of operation of an installation referred to in Article L. 515-36 of the French Environmental Code (*Code de l'environnement*): • description of the technological accident risk prevention policy; • report on the ability to cover civil liability in respect of people and property; and • details of the resources put in place by the Company to ensure management of compensation for victims in the event of a technological accident for which the Company is liable (including Seveso installations).	N/A
French Commercial Code	L. 225-102-4	Duty of care plan enabling identification of risks and prevention of serious abuses of human rights and fundamental freedoms, or serious impacts on health, safety and the environment resulting from the Company's activity and that of sub-contractors and suppliers	N/A
French Commercial Code	L. 232-1	Research and development activities	3.7
INFORMATION ABOUT CORPORATE GOVERNANCE			
French Commercial Code	L. 225-185	Conditions for exercise and holding of options by corporate officers	N/A
French Commercial Code	L. 225-197-1	Conditions for holding free shares allocated to corporate officers	5.2.2.3
French Monetary and Financial Code	L. 621-18-2	Transactions on the Company's securities by senior executives and related persons	7.2.4
French Commercial Code	L. 225-184	Options granted, subscribed or acquired during the financial year by corporate officers and any of the top ten employees who are not corporate officers of the Company and options granted to all employees by category	N/A
INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL			
French Commercial Code	L. 225-211	Details of purchases and sales of treasury shares during the financial year Information about acquisitions by the Company of treasury shares in order to allocate them to employees or senior executives	7.1.5
French Commercial Code	R. 228-90	Any adjustments for securities giving access to the share capital in the event of share buyback or financial transactions	7.1.6
French Commercial Code	L. 225-102	Status of employee shareholding in the share capital on the last day of the financial year and proportion of the share capital represented by shares held by employees through company savings plans and by employees and former employees as part of company mutual funds	7.2.1/7.2.6
French Commercial Code	L. 464-2	Injunctions or monetary penalties for anti-competitive practices	N/A
French Commercial Code	L. 233-13	Identity of natural or legal persons holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at Shareholders' Meetings	7.2.1
French Monetary and Financial Code	L. 511-6	Amount of loans with terms of less than two years granted by the Company, as an activity ancillary to its main business, to micro-enterprises, SMEs or mid-sized companies with which it has business links justifying such loans	N/A
ELEMENTS RELATING TO THE FINANCIAL STATEMENTS			
French Commercial Code	L. 232-6	Any changes to the presentation of the financial statements or valuation methods used	6.1 Note 2
French Commercial Code	R. 225-102	Company's results over the last five financial years	6.4.6

8.7.4 Cross-reference table for the Corporate Governance Report

Reference texts			Chapter/section no.
Compensation			
French Commercial Code	L. 225-37-2	Compensation policy of corporate officers	5.2
French Commercial Code	L. 225-37-3 L. 225-100, II R. 225-29-1	Information relating to the compensation of corporate officers	5.2.2
INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL			
French Commercial Code	L. 225-37-4	List of all offices and positions held in any company by each of these officers during the financial year	5.1.1.1/5.1.2.4
French Commercial Code	L. 225-37-4	Agreements concluded between a corporate officer or a shareholder holding more than 10% of the voting rights and a subsidiary	3.1.5.3
French Commercial Code	L. 225-37-4	Choice of methods of exercising Executive Management	5.1.1.1
French Commercial Code	L. 225-37-4	Summary of outstanding delegations granted by the Shareholders' Meeting to the Board of Directors with regard to capital increases	7.1.3
French Commercial Code	L. 225-37-4	Membership, conditions of preparation and organisation of the Board	5.1.2/5.1.3
French Commercial Code	L. 225-37-4	Description of the diversity policy applied to Board members regarding criteria such as age, gender, qualification and professional expertise, together with a description of this policy, its aims, application methods and results obtained during the financial year. Information on how the Company seeks to ensure gender balance, thanks to the ad hoc committee put in place by the Executive Management of the Company to assist in its general duties on a regular basis and on the achievement of gender balance in the top 10% of senior management positions.	5.1.2.3
French Commercial Code	L. 225-37-4	Limitations to the powers of the Chief Executive Officer	5.1.1.2
French Commercial Code	L. 225-37-4	Compliance with the Corporate Governance Code	5
French Commercial Code	L. 225-37-4	Specific arrangements for the participation of shareholders in Shareholders' Meetings	8.2.2
French Commercial Code	L. 225-37-5	Rules applicable to the appointment and replacement of members of the Board of Directors or the Executive Board as well as to changes to the Company's By-Laws	8.2.3
French Commercial Code	L. 225-37-5	Powers of the Board of Directors or Executive Board, in particular relating to the issuance or buyback of shares	7.1.3
INFORMATION ON SHARE CAPITAL			
French Commercial Code	L. 225-37-5	Structure and changes in the Company's share capital	7.1
French Commercial Code	L. 225-37-5	Statutory restrictions on the exercise of voting rights and the transfer of shares or agreement clauses brought to the attention of the Company	8.2.2
French Commercial Code	L. 225-37-5	Direct or indirect equity interests in the Company's share capital of which it is aware	7.2.1
French Commercial Code	L. 225-37-5	List of holders of any securities bearing special control rights and description of such rights	7.2.8
French Commercial Code	L. 225-37-5	Control mechanisms provided for in any employee share ownership scheme, where control rights are not exercised by employees	7.2.8
French Commercial Code	L. 225-37-5	Shareholder agreements of which the Company is aware and which may give rise to restrictions on the transfer of shares and the exercise of voting rights	7.2.3
French Commercial Code	L. 225-37-5	Agreements entered into by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure, other than when there is a legal obligation to disclose, would be seriously prejudicial to the Company's interests	7.2.8
French Commercial Code	L. 225-37-5	Agreements providing for compensation for members of the Board of Directors or Executive Board or employees if they resign or are dismissed without just cause, or if their office or employment is terminated as a result of a public tender offer	7.2.8

8.8 Glossary

Average cost of debt: the average cost of debt represents the average effective rate that a company pays on its borrowings from financial institutions or other sources. This debt may be in the form of bonds, loans or any other liabilities.

BREEAM (Building Research Establishment Environmental Assessment Method): developed by the Building Research Establishment (BRE) in the United Kingdom in 1990, BREEAM is recognised as the leading appraisal and certification system for the environmental performance of buildings.

Business continuity plan: all measures identified within an organisation to enable it to anticipate the consequences of a crisis affecting its main business line, to ensure partial or total continuity of business and a return to normal after the crisis.

CDAC (Commission départementale d'aménagement commercial, or Departmental commission on retail development): opening a retail area greater than 1,000 sq.m. in France requires prior administrative permits to be issued by CDAC.

Developer yield on cost: expected net annualised rents divided by the estimated amount of the developer investment.

DPO (Data Protection Officer): person responsible for compliance with the EU Regulation on Data Protection within the Company.

EBITDA (excluding fair value adjustments): earnings before interest, taxes, depreciation, and amortisation, which measures the wealth creation from operating the assets.

EPRA (European Public Real Estate Association): created in 1999, the EPRA is a European association representing real estate companies, whose role is to promote, develop and represent listed companies in the real estate sector at the European level.

EPRA earnings: operational performance measure excluding fair value adjustments, the impact of asset disposals and other non-cash items in the Company's result.

EPRA NDV (Net Disposal Value): EPRA NDV corresponds to the net asset value of the Company.

EPRA NIY (Net Initial Yield): EPRA net initial yield is the ratio between net annualised rental income based on the rental status and market value, including transfer taxes, of the assets.

EPRA NRV (Net Reinstatement Value): EPRA NRV represents the asset value that would be required to rebuild the company from scratch.

EPRA NTA (Net Tangible Assets): EPRA NTA corresponds to the value of the Company's net tangible assets.

EPRA Topped Up Net Initial Yield: EPRA Topped Up Net Initial Yield adds back reductions and step rents into rental income.

EPRA vacancy rate: ratio of the market rent of vacant surface areas to total market rent (of vacant and let surface areas).

ERP (establishment open to the public): buildings into which external persons (other than employees) are admitted. ERPs are classified into categories according to the strictness of regulations applicable (type of work authorisation or security rules, for example) depending on the risk.

Financial occupancy: corresponds to the ratio between the minimum guaranteed rent of the portfolio on a given date and the amount of rent that Carmila would collect if its entire operating property portfolio were leased (with the assumed rent for vacant lots determined on the basis of rental values set by the appraiser). Financial occupancy is stated excluding strategic vacancies, which are the vacant premises necessary in order to implement renovation, extension, or restructuring projects in shopping centres.

Fédération des Acteurs du Commerce dans les Territoires (regional retail trade federation – FACT): French trade body for professionals operating in the shopping centre industry.

Free cash flow: cash available to a company after it has made the investments necessary for its development.

French construction cost index (Indice du Coût de Construction – ICC): the construction cost index measures the quarterly change in the price of new, primarily residential buildings in France. VAT is included and paid by the project managers to the construction companies. It applies exclusively to construction works. It excludes the prices and costs of land (viability studies, special foundations, etc.) as well as fees, promotion and financial costs. Moreover, it does not cover maintenance and improvement works.

Gross leasable area (GLA): the real estate appraisal charter sets out the following definition: "GLA corresponds to the net floor area of a commercial space plus awnings, exterior landings and service ducts. It does not include the service roads or roads shared by different units (in shopping arcades or shopping centres for example)."

Gross rental income: minimum guaranteed rent billed by Carmila to its tenants, to which additional variable rents and front-end fees and commercial usage indemnities are added, where appropriate.

ICR (interest coverage ratio): EBITDA (excluding fair value adjustments)/Cost of net debt. This ratio measures the company's ability to cover the cost of its debt from its cash flows from operations.

ILC (Indice des Loyers Commerciaux, or French commercial rent index): the quarterly ILC was created by Law no. 2008-776 of 4 August 2008 on the modernisation of the economy and comprises indices representing the changes in consumer prices and new building construction prices. In France, base rent, whether solely fixed or with a minimum guarantee, is contractually indexed to the French INSEE commercial rent index.

Joint leader: a shopping centre is defined as a joint leader if (i) it is not a leader and (ii) (x) it includes the leading hypermarket in its catchment area (for France and Italy) in terms of sales or for Spain in terms of leasable area (source: Nielsen database), or (y) the annual sales of the adjoining hypermarket are over €100 million for hypermarkets in France or €60 million for hypermarkets in Spain or Italy.

Leader: a shopping centre is defined as a "leader" if (i) it is the leader in its catchment area by the number of retail units (source: Codata database, 2016) or (ii) it includes, for shopping centres in France, more than 80 commercial units or, for shopping centres in Spain or Italy, more than 60 commercial units.

Like-for-like/reported scope: Carmila reviews the change in certain indicators, whether on a reported basis (including the entire property portfolio on a given date) or like for like. Like-for-like growth is calculated based on a comparable basis of shopping centres. The elements adjusted in order to analyse like-for-like data are (i) the contribution of acquisitions in the years in question as well as negative reversion linked to acquisitions in previous years, (ii) the impact of restructurings in progress and (iii) and the impacts of extensions delivered during the periods in question.

Loan-to-value ratio excluding transfer taxes: the ratio of consolidated net debt/fair value of investment properties excluding transfer taxes (and including the share of the fair value of assets of equity-accounted companies).

Loan-to-value ratio including transfer taxes: the ratio of consolidated net debt/Fair value of investment properties including transfer taxes (and including the share of the fair value of assets of equity-accounted companies).

Minimum guaranteed rent (MGR): the minimum guaranteed rent (or annual base rent) in the lease contract.

Net rental income: gross rental income less land tax expenses, property expenses and unrecovered rental expenses (expenses payable by tenants but not rebilled by the lessor because of vacant premises or specific contractual provisions).

NPY (Net Potential Yield): the net potential yield is the ratio between net annualised rental income (with reintegration of step increases and rent-free periods) plus the market rental value of the vacant lots defined by the experts and the market value, including transfer taxes, of the assets.

Occupancy cost ratio: Carmila takes each tenant's occupancy cost ratio into account in determining its rent levels. The occupancy cost ratio is defined as the ratio between (i) the total amount charged to tenants (fixed rent, variable rent and rental expenses passed on to the tenant) and (ii) retailer sales.

Pop-Up Stores: Carmila leverages the attractiveness of its shopping centres to offer tenant retailers the opportunity to open pop-up stores of between 50 sq.m. and 3,000 sq.m., for leases ranging from 4 months to 34 months.

Recurring earnings: equal to EPRA earnings excluding certain non-recurring items (restatement of loan issuance costs amortised on a straight-line basis over the term of the loan, reintegration of loan issuance costs paid during the year, restatement of margins on real estate development, and income from disposals and other non-recurring expenses).

Reversion: the positive or negative change in the minimum guaranteed rent (MGR) obtained on renewal of a lease.

SIIC (French real estate investment trust, or REIT): company benefiting from ad hoc tax treatment subject to certain distribution constraints:

- requirement to distribute at least 95% of its recurring income and 70% of its capital gains (and 100% of the dividends received from its REIT subsidiaries); in exchange, its profits are exempt from tax at the REIT level;
- regarding shareholders: a shareholder may not hold more than 60% of the share capital and 15% of the share capital must be held by shareholders holding less than 2% each.

Specialty Leasing: Specialty Leasing refers to various services provided to commercial and advertising initiatives that generate additional revenue and energise shopping centres. The Specialty Leasing Department operates in two segments: leasing of space in the shopping centres and car parks, and managing the advertising partnership agreement with Clear Channel, which aims to digitalise shopping centres and assist in jointly designing solutions that closely match new consumption trends.

UES (economic and social unit): in France, the grouping of companies with legal separate identities but close relationships together into a single unit for the purposes of employee representation. An economic and social unit has no legal identity.

Variable rents: variable rents comprise a fixed portion, the minimum guaranteed rent (or base rent), and an additional variable rent, calculated as a percentage of the tenant's annual retailer sales, excluding taxes.

8.9 Information incorporated by reference

In compliance with Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 applicable from 21 July 2019, the following information is incorporated by reference into this Universal Registration Document:

- for the year ended 31 December 2021: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 2 and 6 of the 2021 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 7 April 2022 under reference D. 22-0253;
- for the year ended 31 December 2020: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 3 and 7 of the 2020 Universal Registration Document filed with the AMF on 6 April 2021 under reference D. 21-0256;
- for the year ended 31 December 2019: consolidated financial statements, annual statutory financial statements and related Statutory Auditor's reports, along with all documents related to this financial year are disclosed in sections 3 and 7 of the 2019 Universal Registration Document filed with the AMF on 24 April 2020 under reference D. 20-0353.

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