

2023

GROUP OVERVIEW





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KEY DATES in Klépierre's history

1990

Klépierre is created.

1998

Merger with Compagnie Foncière. Portfolio value triples.

2000

Agreement with Carrefour to acquire 160 shopping malls.

2005

Acquisition of a portfolio of shopping centers in Poland and the Czech Republic.

2008

Acquisition of Steen & Strøm, Scandinavia's leading shopping center owner and manager.

2012

Simon Property Group, global leader in the shopping center industry, acquires a 28.7% stake in Klépierre.

2014

Disposal of 126 malls adjoining Carrefour supermarkets.

2015

Merger with Corio in the Netherlands and acquisition of two shopping centers, Oslo City, in Norway and Plenilunio, in Spain.

2017

Opening of the **Val d'Europe extension.**

2018

Launch of the **Act for Good** CSR strategy.

2019

Opening of the **Créteil Soleil extension.**

2021

Disposal of assets in Norway, France and Germany.

2022

Success of the Act for Good[®] strategy, with **99.8% of objectives met.** **Inauguration** of the Gran Reno extension in Bologna (Italy).

2023

Launch of the new **Act4Good™** CSR plan with the goal of building the most sustainable platform for commerce by 2030. **Inauguration** of the Grand Place extension in Grenoble (France).



Klépierre delivered a record year in 2023, confirming its position as the European leader in shopping malls, with more than 70 premium destinations aligned with the development and positioning needs of expanding retailers.

Located in Europe's biggest cities, in population centers enjoying strong demographic and economic growth, Klépierre malls welcome more than 700 million visitors a year.

As brands refocus on locations offering the highest consumption potential, our dominant malls are continuing to gain market share.

They reflect our baseline, "Shop. Meet. Connect.®," which describes the shopping mall as we see it: a lifestyle environment where you can shop, meet up and share experiences. A sustainable place that expresses our CSR vision.

Thanks to our unrivaled shopping center platform, coupled with our operational excellence and carefully managed risk profile, the Group's net current cash flow rose by 10.7% over the year to €2.48 per share. Our debt ratios rank among the very best in the industry, giving us headroom for development.



“

JEAN-MARC JUSTIN
CHAIRMAN OF THE EXECUTIVE BOARD

These robust operating fundamentals and sound financial discipline are also enabling us to regularly increase the cash dividend we pay to our shareholders. In respect to 2023, it will come to €1.80 a share.

Looking ahead, we will be activating our growth levers and will pursue our commitments, inspired by our ambition to build the most sustainable platform for commerce by 2030.

KLÉPIERRE, THE EUROPEAN LEADER IN SHOPPING MALLS

Klépierre owns and manages the largest portfolio of shopping centers in continental Europe, with more than 70 premium destination malls in ten countries. Its assets are located in Europe's 40 largest cities, in population centers enjoying strong demographic and economic growth. The Company's portfolio was valued at €19.3 billion at December 31, 2023.

The Group is a French REIT (SIIC) included in the SBF 120 index.

Today, Klépierre is one of the few commercial real estate companies with critical mass in continental Europe, which enables it to maintain close ties with leading national and international retailers and to support their growth by offering opportunities to open new stores and expand existing ones.



KLÉPIERRE AT A GLANCE

70+

LEADING SHOPPING MALLS IN CONTINENTAL EUROPE

4.0m

SQ.M. GROSS LEASABLE AREA

10+

COUNTRIES IN CONTINENTAL EUROPE

€1.5bn

IN REVENUE

€19.3bn

TOTAL PORTFOLIO VALUE

10,100

LEASES

1,061

EMPLOYEES

3,500

RETAILERS

RETAIL, A CONSTANTLY CHANGING INDUSTRY

The retail industry is largely dominated by physical stores, which account for 85% of retail sales in continental Europe (i.e., the European Union excluding Ireland), compared with 15% for online sales (see chart, right).

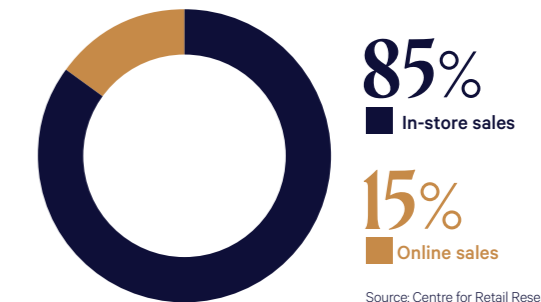
After increasing sharply in continental Europe in recent years, by 10% to 18% depending on the country, online sales growth seems to be slowing, rising just 6% in the European Union in 2022, compared with growth of 12% in 2021 according to E-commerce Europe.

In a constantly changing, increasingly polarized retail environment as brands refocus on locations offering the highest consumption potential, Klépierre has successfully posted continuous growth in recent years. This performance primarily reflects the Group's strategic decision to focus on the large shopping mall segment, which is highly popular with international retailer brands.

Today's shoppers follow increasingly hybrid buying journeys, mixing online and physical channels, in which brick-and-mortar stores continue to play a central role. Omnichannel shopping lets customers move seamlessly from the physical to the virtual to get ideas, search for and select the right product, buy and collect it and then share the shopping experience.

In this way, physical retail seamlessly supports the performance of online retail, and vice versa. At a time when online customer

Breakdown of the continental European retail industry in 2022⁽¹⁾



Source: Centre for Retail Research

acquisition costs and the related delivery and returns costs are both rising, physical stores play a decisive role in retailers' profitability and remain a core driver of their growth strategies.

Klépierre offers a unique solution for maximizing synergies between physical and online retail. With more than 700 million visitors a year, its shopping mall platform offers brands an unparalleled channel for reaching consumers. These highly modular retail spaces are also conducive to the deployment of omnichannel strategies and frictionless store logistics.

As a result, the Group is continuing to gain market share in its malls' catchment areas.

An end-to-end retail solution



(1) Total retail sales of goods and services, excluding travel services, automobiles, fuel and ticketing.



VISION AND STRATEGY

In a constantly shifting retail environment, our Shop. Meet. Connect.® baseline expresses both our expertise and our vision of a shopping mall.

SHOP.

Because our primary mission is to enhance the retail mix in our malls. Our strength lies in the ability to rethink this offering with agility, to give shoppers an increasingly appealing choice of brands that speak to their desires and needs. That's why we bring all our skills and expertise to bear in supporting brands in their growth and transformation, whatever their size, their concepts or their ambitions.

MEET.

Because shopping centers are destined to play a growing role in weaving the social fabric. Our malls are lifestyle environments where all types of people come together to meet, to discover new things and to enjoy new experiences. By expanding the food & beverage and leisure offering, by carefully guiding the customer journey or by organizing new and unusual events, we are reinventing the shopping experience, with an extra dose of good times and great memories.

CONNECT.

Because our malls are in direct contact with local communities. Connected to transport hubs, to the city and its economic activity, to people. And of course, in the wider world, connected via digital technology to consumers, the stores and all the employees who bring retail to life. All this enables us to offer visitors a one-of-a-kind experience blending the best of physical and online shopping.

THIS VISION IS INSTILLED ACROSS THE ENTIRE PORTFOLIO,
DRIVEN BY OUR FOUR-PRONGED STRATEGY



1

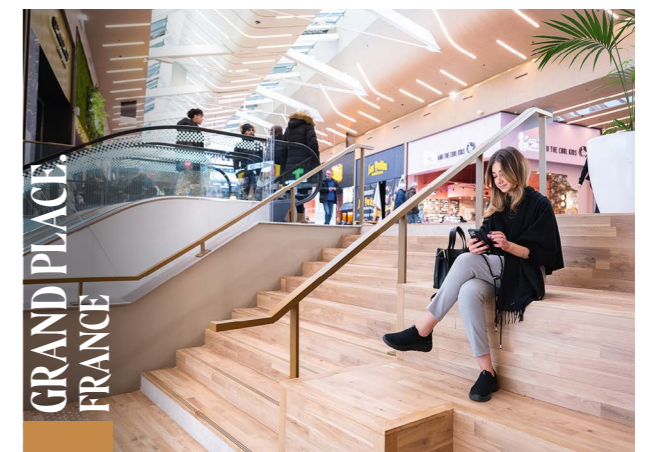
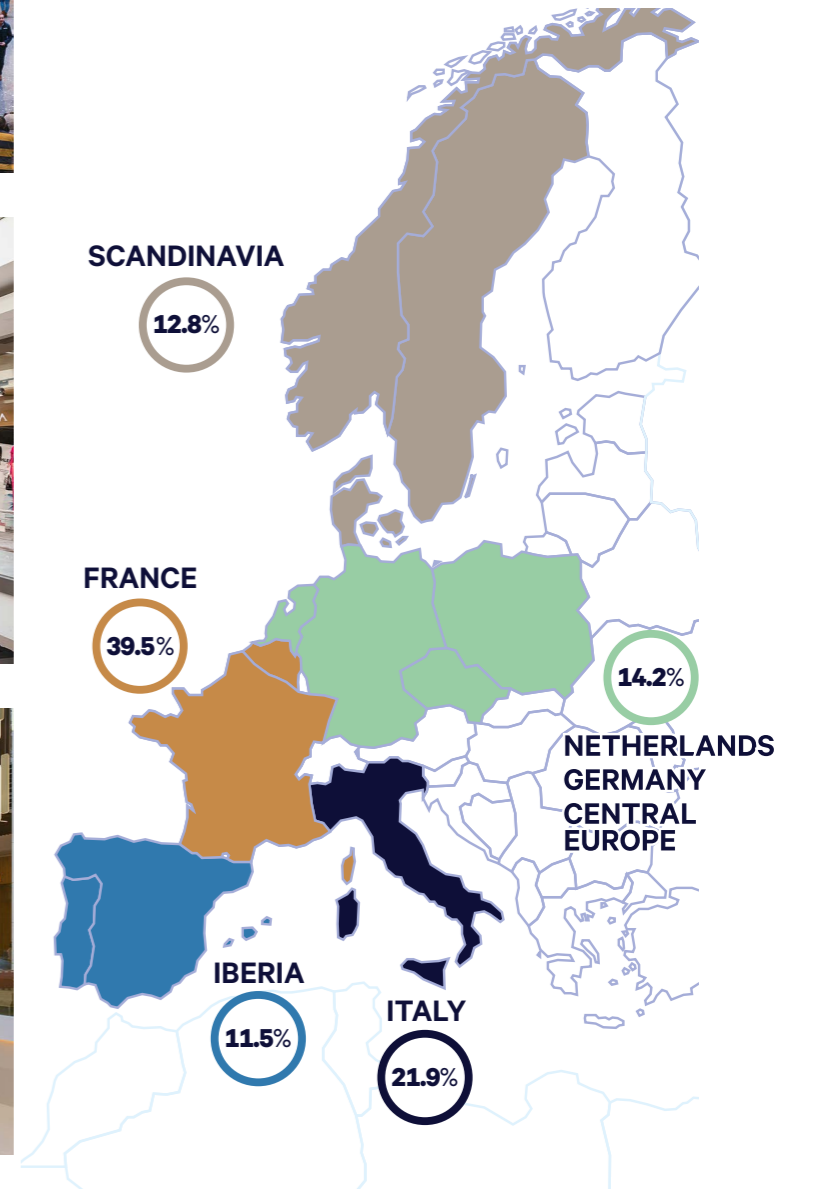
INVESTING IN THE BEST MALLS IN EUROPE

Over the past ten years, the Group has refocused its operations on the most dynamic cities in Europe, in resonance with the omnichannel strategy being pursued by the leading national and international brands. These chains are increasingly selective in siting their stores. Their positioning strategy and expansion plans are designed to create a seamless ecosystem between their physical stores and online offerings. That's why the Group targets only the leading Continental European metropolitan areas whose demographic or economic growth exceeds national averages. Klépierre is positioned in:

- the most densely populated European cities;
- large catchment areas home to more than one million people;
- wealthy regions whose GDP per capita is 20% higher than the European average.



Geographic breakdown of Klépierre's portfolio in 2023
(in % of portfolio value, on a total share basis including transfer taxes)



TARGETED, VALUE-CREATING DEVELOPMENT PROJECTS

As part of its growth strategy, Klépierre regularly transforms assets to strengthen their leading positions in their catchment areas. These projects tend to focus on extending assets crystallizing strong leasing tension.

OUR MAJOR SUCCESS IN 2023



GRAND PLACE

GRENOBLE — FRANCE

Grand Place extension and refurbishment

The opening of the 16,200 sq.m. Grand Place extension increased the mall's total floor area to 75,000 sq.m. With a completely revamped retail environment, the extension features 30 new stores and 15 restaurants.



€65m
total investment

Project delivered **on time**
and **on budget**



Sharp increase in footfall
up **60% in December**
versus 2022

16,200 sq.m.
extension

Fully let, with
estimated yield
on cost of **8%**

THE MAIN COMMITTED PROJECTS



MAREMAGNUM

BARCELONA — SPAIN

Maremagnum will host the first Time Out Market in Spain and the second in Europe.

Its opening will transform the mall's rooftop into Barcelona's culture and dining hotspot with exclusive views over the Mediterranean sea. The opening is planned for first half 2024, just in time for the America's Cup.



Total investment:
€15m

Estimated yield on cost:
13.5%

Opening:
First half 2024

ODYSSEUM

MONTPELLIER — FRANCE

Mall extension

By restructuring existing spaces and adding an extension, Odysseum will welcome a new Primark store and an enhanced food court. Work began in the first quarter of 2024, with delivery scheduled for 2026.



PRIMARK

18,500 sq.m.
of which
8,200 sq.m.
of extension

Scheduled delivery in
2025/2026

Investment:
€56m

Estimated yield on cost:
9.0%

► FOR MORE INFORMATION,
SEE CHAPTER 2 "BUSINESS OF THE YEAR".

2

CREATING PREFERRED SHOPPING DESTINATIONS

Our business is not just about investing in the finest real estate assets, it's also about transforming them into our customers' preferred lifestyle environments. This ambition is embraced by Klépierre's talented employees, who leverage their widely acclaimed leasing, operational and management expertise to create preference by making Shop. Meet. Connect.® a reality every day.



SHOP THE TOP

For consumers, the quality, diversity and regular renewal of the retail mix are decisive factors in choosing a shopping destination.

That's why we make our malls showcases for the finest national and international retailers in every segment, from fashion, health & beauty, sports and leisure to services and restaurants. We create and nurture a real estate environment where brands can invest in their stores and develop their latest concepts. We are supporting the retail transformation, capitalizing on the power of our European portfolio to introduce exclusive concepts and offer a broad palette of configurations, from pop-ups to flagships.

MEET FOR REAL

In the same way as the customer experience has to be impeccable, experiential and enriching, our malls have to act as hubs where people can meet up and discover new experiences.

That's why we see our shopping centers as safe, welcoming, hospitable lifestyle environments, where there's always something to discover with family and friends and where everyone feels at home. We design these spaces to offer an increasing array of services and greater comfort, in a carefully thought-out environment.

CONNECT IT ALL

Our malls are positioned at the epicenter of a dense web of people, communities and economic and digital connections.

We create environmentally-sensitive, constantly changing, connected spaces, anchored in close partnerships with local stakeholders. These are places where there's always something going on, where culture, sports, art, entertainment and a host of associative initiatives come together to make a positive contribution to all our host communities.

To keep our customers connected, we focus on supporting omnichannel retailers that offer the most exciting online/off-line experience in their segment.

A COMPREHENSIVE, CONSTANTLY REFRESHED RETAIL MIX

Unlike city-center stores, shopping centers are managed by a single, specialized operator that takes care to ensure both the consistency and the variety of the retail mix.

This is why Klépierre is committed to offering products and services that fully resonate with consumer expectations. From fashion and beauty to sports and leisure, our shopping center customers enjoy a wide array of the finest concepts in each segment.

Retail mix
(revenue by segment)



To drive further market share gains, Klépierre is constantly refreshing its retail mix by:

- Attracting the leading omnichannel retailers and rightsizing store floor space to their needs;
- Supporting the growth of the most dynamic segments, such as health & beauty, sports, services and entertainment, to replace fading concepts.

Robust operational performance

6%
Like-for-like growth in RETAILER SALES vs. 2022

1,658
LEASES SIGNED up 22% year-on-year

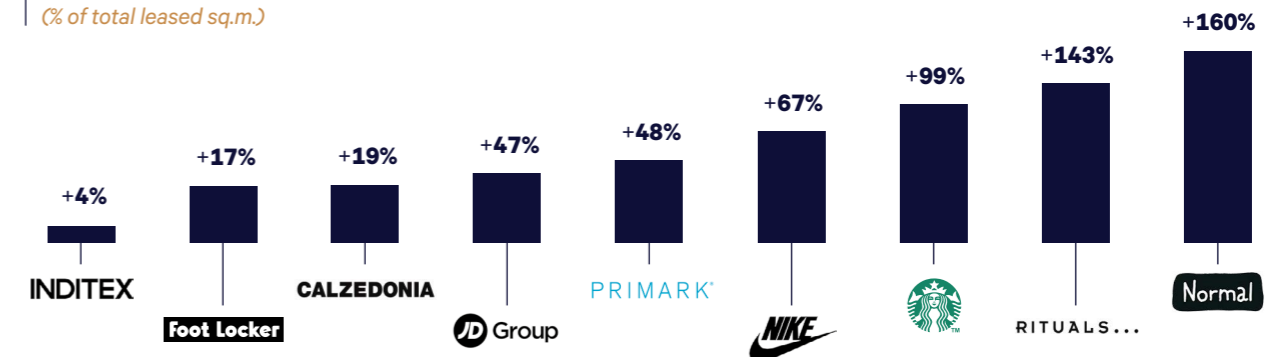
96%
OCCUPANCY RATE up 20 basis points year-on-year

12.8%
OCCUPANCY COST RATIO

+4.4%
REVERSION

97.5%
COLLECTION RATE up 110 basis points vs. 2022

Change in total store surface area by brand, 2019-2023
(% of total leased sq.m.)



3

BUILDING THE MOST SUSTAINABLE PLATFORM FOR COMMERCE

Klépierre, the global real estate industry leader in sustainability, is pursuing its CSR strategy with the new Act4Good™ plan dedicated to “building the most sustainable platform for commerce by 2030.”



Sustainable commerce first and foremost means operating low-carbon retail spaces that fully contribute to combating climate change. It also means offering places that genuinely serve the community, where people can meet and come together. It means helping to develop the skills of those around us who visit our centers. And it means being at the forefront of change, by encouraging more sustainable lifestyles.

Act4Good™ IS BASED ON FOUR MAJOR COMMITMENTS:



ACHIEVING NET ZERO



GROWING PEOPLE



SERVICING COMMUNITIES



PROMOTING SUSTAINABLE LIFESTYLES



A CLOSER LOOK AT THE COMMITMENT TO A NET ZERO CARBON PORTFOLIO BY 2030

ENERGY EFFICIENCY

- Reach average portfolio energy efficiency of **70 kWh/sq.m.**
- Measure our tenants' private area energy consumption in our shopping centers and help them cut their energy consumption by **20%**

RENEWABLE ENERGY GENERATION

- Locally generate enough renewable energy to self-supply up to **30%** of the needs of our Top-40 malls

MOBILITY

- Engage our visitors in reducing carbon emissions related to their transportation by **40%**

CIRCULAR ECONOMY

- Recover and reuse **100%** of our waste, with a focus on materials recovery
- Incorporate low-carbon solutions into all our new development/renovation projects
- Support our tenant retailers in creating low-carbon stores, with both structural work and fittings

BIODIVERSITY

- Commit to **net-zero** land use for all shopping center development projects

WIDELY RECOGNIZED LEADERSHIP IN SUSTAINABILITY

Klépierre, the European leader in shopping malls, has been recognized by a large number of rating agencies for the excellence of its CSR policies.



GRESB is the world's leading environmental, social and governance benchmark for real estate and infrastructure.

In 2023, for the fourth year running, it recognized Klépierre as Europe's leading listed retail real estate company, scoring the Group 93/100 and maintaining its 5-star rating, awarded to the top 20% best-performing companies across all categories.



CDP is an international organization that rates a company's environmental impact from A to D and assists it in tracking and benchmarking its progress.

In a sample of over 21,000 companies that disclosed their data in 2023, Klépierre was one of the 353 companies worldwide to make the prestigious CDP Climate A-list, recognizing the Group's leadership in corporate transparency and climate performance.



MSCI measures a company's long-term resilience to, material environmental, social and governance risks. Its ESG ratings range from leader (AAA, AA) to average (A, BBB, BB) to laggard (B, CCC). In 2023, Klépierre was rated AA.



For the 12th straight year, Klépierre received a Gold Award from EPRA, which promotes, develops and represents the European listed real estate sector. EPRA actively participates in the debate on sustainability best practices through a variety of initiatives, including the issuance of sustainability best practices recommendations and guidance for European listed real estate companies.



The Group is now included in Euronext's CAC 40 ESG stock market index, which tracks the 40 most responsible French listed companies based on their Moody's ESG rating.

Klépierre was already a member of the CAC SBT 1.5, another Euronext stock market index comprising companies whose greenhouse gas emissions reduction targets contribute to limiting global warming to 1.5°C.



Klépierre's carbon reduction strategy is aligned with the 1.5°C maximum for global warming pathway approved by the Science Based Targets (SBTi) initiative, with the highest possible rating.

4 MAINTAINING STRICT FINANCIAL DISCIPLINE

Klépierre's financial management approach is designed to fund dividend payments and capital expenditure out of operating cash flow. By pursuing a capital rotation policy with proceeds of disposals reinvested in pipeline projects and targeted acquisitions, and combining cash flow growth with moderate leverage, the Group delivers, year after year, solid dividend growth.

A STRONG GROWTH TRAJECTORY

Net current cash flow amounted to €811.6 million (total share) in 2023, or €2.48⁽²⁾ per share (Group share), a record 10.7%⁽²⁾ increase over the year.

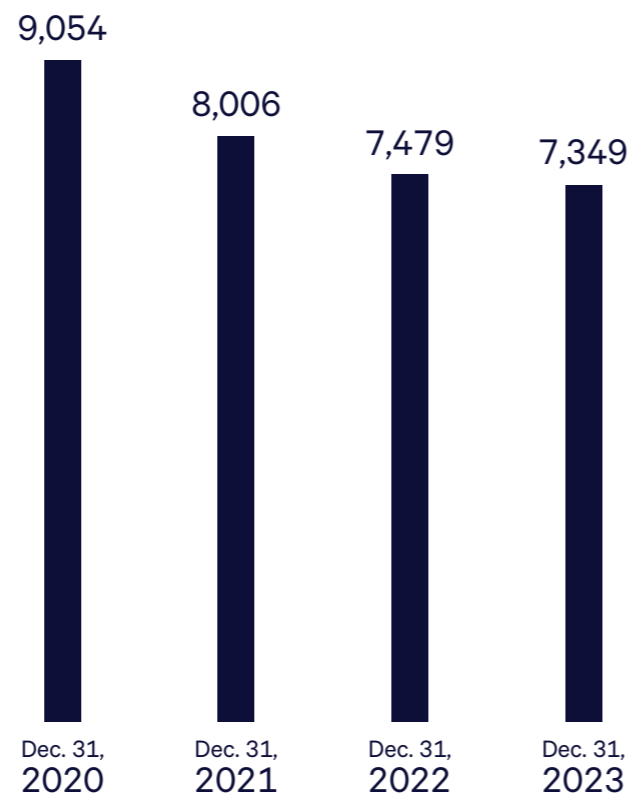
€2.48

2023 net current cash flow per share, up 10.7% vs. 2022

CONTROLLED INDEBTEDNESS

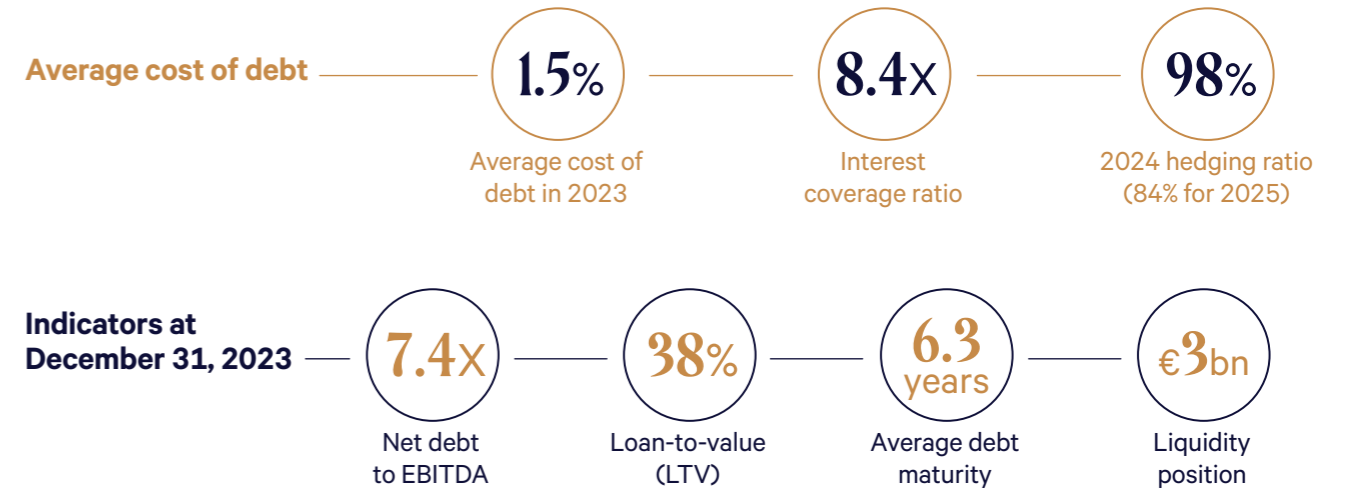
Strong cash flow generation and disposal proceeds have enabled a €1.7 billion reduction in net debt since 2020, including €130 million in 2023.

Change in net debt, end-2020 to end-2023
(In millions of euros)



SECTOR-LEADING CREDIT METRICS

Thanks to the steady improvement in its credit metrics, the Group operates one of the industry's strongest balance sheets, as well as very good credit ratings. In May 2023, Fitch assigned an A- rating with a stable outlook to Klépierre's senior unsecured debt (short-term F1 rating). Standard & Poor's has assigned to Klépierre a long-term BBB+ rating (A2 short-term rating) with a stable outlook.



RISING DISTRIBUTION

Financial discipline enables Klépierre to pay steadily larger cash dividends.



(1) Excluding the positive non-recurring income statement impact related to 2020 and 2021 receivables.
(2) Excluding the positive non-recurring income statement impact related to 2020 and 2021 receivables (€0.30) and the cash flow of divested assets (€0.08), net current cash flow per share stood at €2.24 in 2022.

(3) Subject to approval by the shareholders present or represented at the Annual General Meeting on May 3, 2024.

A VALUE-CREATING BUSINESS MODEL

TRENDS

Shifting consumer practices

Growing urbanization in Europe

Rising importance of environmental issues

Degree of labor market tightness

RESOURCES

FINANCIAL

- €19.3bn in assets
- €7.3bn in net debt
- €7.1.bn in market capitalization

BUSINESS & CORPORATE

- 3,500 retailers

HUMAN & INTELLECTUAL

- 1,061 employees
- 40% women in the top 100 senior management positions

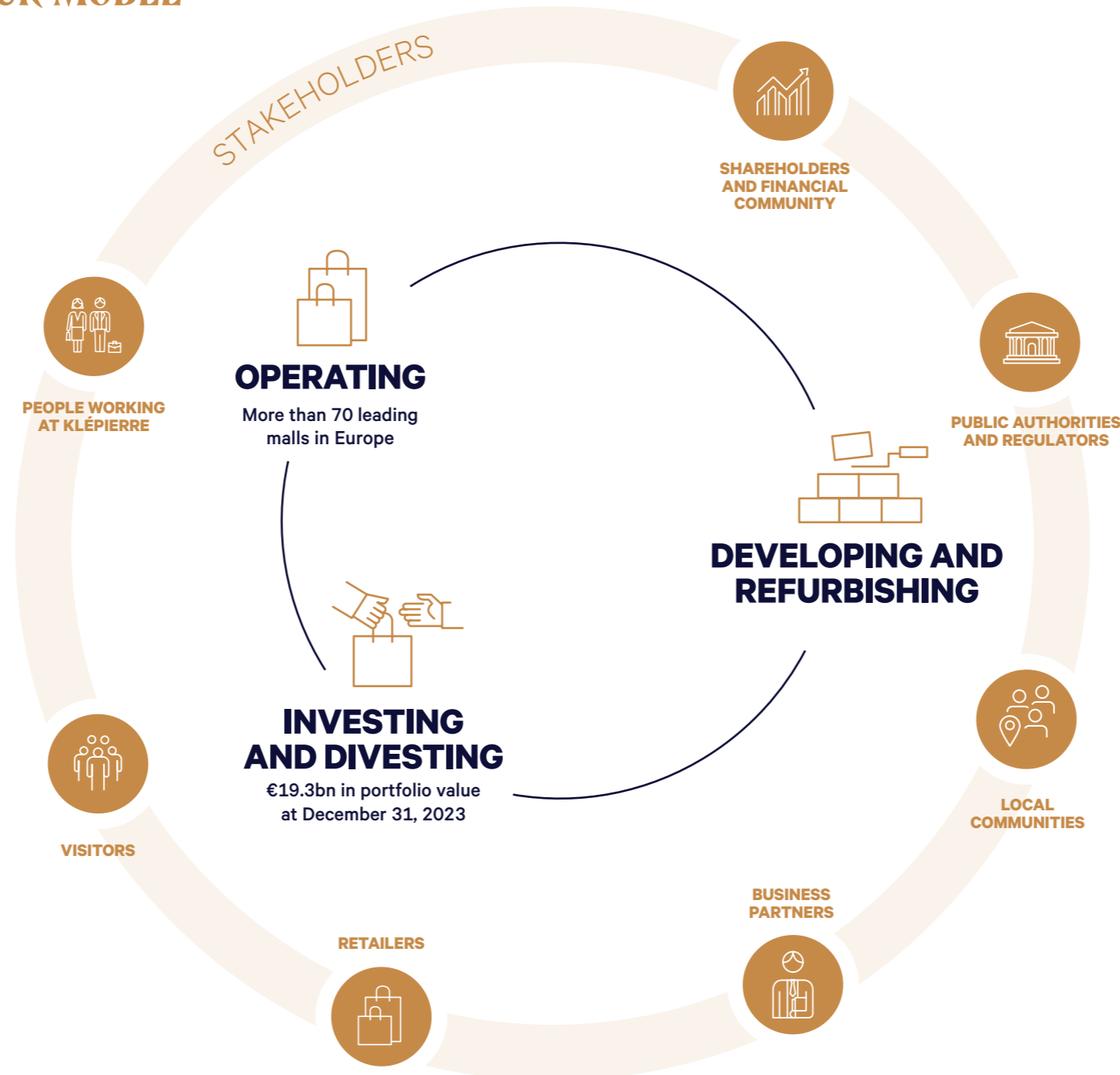
NATURAL

- 74.9 kWh/sq.m. in annual energy use
- 2.5m cu.m. in water consumption
- 100% of electricity from renewable sources

INFRASTRUCTURE & TECHNOLOGY

- 100% of assets accessible via public transport
- 253 TB of data (excluding backups)

OUR MODEL



VALUE CREATION

FINANCIAL

- €812m in net current cash flow
- €500m distributed to shareholders in respect of fiscal year 2022

BUSINESS AND CORPORATE

- 1,658 new leases
- For every Klépierre job created, 2.2 jobs are created in the local economy
- €89m in local taxes
- Net Promoter Score up 35 points versus 2017

HUMAN AND INTELLECTUAL

- 27% of open positions filled internally
- 100% of employees have access to training

NATURAL

- 84% reduction in carbon intensity versus 2017
- 48% reduction in energy intensity versus 2013
- 100% of shopping centers environmentally certified
- 100% of recovered waste



Design and production

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