

Group overview 2022





GROUP OVERVIEW

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“Our shopping centers are constantly being upgraded, transformed and expanded. They create sustainable value in local communities.”

Jean-Marc Jestin
CHAIRMAN OF THE EXECUTIVE BOARD

After two years of health crisis, Klépierre demonstrated the resilience and durability of its business model in an environment roiled by pervasive geopolitical uncertainty.

Against this backdrop, the Group's strategy and its operating fundamentals enabled it to deliver very good results for the year, with net current cash flow per share up 20.1% year on year to €2.62. Our business has continued to enjoy growth, while retailer sales and footfall both jumped 25% during the year. We saw strong momentum in every geography and retail segment.

The Group also continued to rationalize its portfolio by disposing of €602 million in assets in 2022, bringing total proceeds to nearly €1.5 billion over the past two years. All these assets were sold in line with appraised values. In addition, Klépierre's operational excellence, combined with its conservative capital allocation, has helped drive a €1.6 billion reduction in net debt over the past two years. This means that our credit metrics are even better than before Covid, and rank among the most robust in the industry.

As vibrant lifestyle environments, shopping centers once again demonstrated their relevance as community hubs offering new ways of shopping and sharing experiences. What's more, they are the core pivot of

omnichannel practices and support synergies between in-person and online shopping. In this context, our strategy of refocusing on assets located mostly in large cities with wide catchment areas, strong demographic growth and above-average purchasing power, is fully aligned with the expansion and positioning needs of our retailers. Klépierre remains the European leader in shopping malls with a portfolio of some 70 prime centers that attract 750 million of visitors every year.

By providing everything under one roof, we offer shoppers the opportunity to meet all their needs, while enjoying a meaningful and exciting experience. This operational approach is at the heart of our development, leasing and asset management expertise. Lastly, our innovative vision for shopping centers and our ambitious CSR strategy ensure that Klépierre makes positive contributions to the environment, to its host communities and to people.

Our commitment to sustainable development has earned us recognition as a world leader in the industry. This leadership is a source of pride, but it comes with great responsibility. In addition to symbolizing our employees' embrace of our commitments, it attests to the need for change. Today, with a clear appreciation of the importance of this responsibility, Klépierre is committed to building the most sustainable platform for commerce by 2030.

Key dates in Klépierre's history

1990
Klépierre
is created.

1998
Merger with Compagnie
Foncière. Portfolio value
triples.

2000
Pan-European 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
hypermarkets.

2015
Merger with Corio
in the Netherlands
and acquisition of two
shopping centers,
Oslo City, in Norway
and Plenilunio, in Spain.
The new Group's portfolio
value increases from €14 billion
to more than €21 billion.

2018
Launch of the
Act for Good®
CSR strategy, focused on
32 concrete objectives.

2019
Opening of
the Créteil Soleil
extension to the east
of Paris, two years after
the Val d'Europe
extension was completed.

2021
Sale of assets
in Norway, France
and Germany.

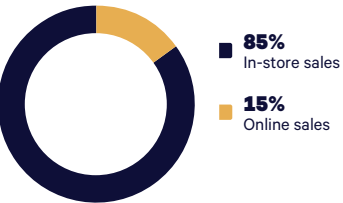
2022
Success of the
Act for Good®
strategy, with **99.8%**
of objectives met.

2023
Launch of the new
Act4Good™ CSR strategy,
with the promise to
build the most sustainable
platform for commerce
by 2030.
Opening of
the Gran Reno
extension in
Bologna (Italy).

Brick and mortar stores, the cornerstones of a fast changing industry

The retail industry is largely dominated by physical stores, which account for 85% of retail sales in continental Europe, compared with 15% for online sales (chart #1).

SEGMENTATION OF THE RETAIL INDUSTRY IN 2022
Chart #1

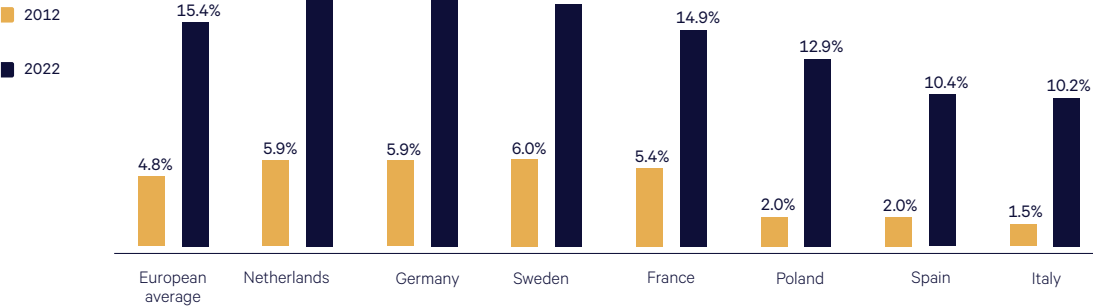


Source: Centre for Retail Research.



After increasing sharply in continental Europe in recent years, by 10% to 18% depending on the country, online sales seem to be slowing, rising just 10% in the European Union in 2022, compared with growth of 16% in 2021 according to Eurostat (chart #2).

PENETRATION RATE OF ONLINE SALES BY COUNTRY 2012-2022
(% of total retail sales)
Chart #2



Source: Centre for Retail Research.

Today's shoppers follow increasingly hybrid buying journeys, mixing online and physical channels, even as 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.

Klépierre is strategically focused on the shopping center segment, whose powerful consumer appeal and highly modular features are conducive to the execution of omnichannel strategies. As such, it is still widely preferred by the leading international retailer chains when they decide to open new stores (chart #3).

COMPETITIVE ADVANTAGES OF KLÉPIERRE SHOPPING MALLS
Chart #3

- 1 An ambitious **commitment** to sustainability
- 2 **Accessibility** and customer experience
- 3 Easy **restocking** and logistics
- 4 **High concentration** of retail brands/visitors
- 5 **Modular store formats** adjustable to demand
- 6 **Comprehensive** and optimized retail mix



Today, Klépierre is one of the few shopping mall companies with critical mass in continental Europe.

KLÉPIERRE, A LEADING PLAYER IN RETAIL PROPERTY

€1.2bn
IN REVENUE

€19.8bn
TOTAL PORTFOLIO
VALUE

10,400
LEASES

1,072
EMPLOYEES

12 COUNTRIES
IN CONTINENTAL
EUROPE

3,600
RETAILERS

70+
LEADING SHOPPING MALLS
IN CONTINENTAL EUROPE

4.0m
SQ.M. GROSS
LEASABLE AREA

Shop. Meet. Connect.®, our vision of a shopping center

In today's fast transforming retail landscape, Shop. Meet. Connect.® – our baseline – expresses our identity, informing our vision of a shopping center.



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.

➤ To make its vision a reality, Klépierre relies on a customer-centric approach and an ambitious CSR strategy.

A holistic, responsible strategy

Since 2013, Klépierre has refocused its activities on pre-eminent assets located most of the time, in the largest European cities with wide catchment areas, strong demographic growth and above-average purchasing power (1.). Meanwhile, Klépierre has leveraged its operational expertise to respond to emerging retail trends, align its offering and constantly refresh the shopper experience in its malls (2.). This approach is supported by an ambitious CSR policy (3.) and the sound financial discipline (4.) that are enabling the Group to ride the retail transformation.

1. A UNIQUE PORTFOLIO OF SHOPPING CENTERS

Dominant malls, located mostly in the largest European cities with wide catchment areas of more than one million consumers and per-capita income 20% higher than the national average.

2. ROBUST OPERATIONAL PILLARS

To refresh the retail mix and support brand and banner growth, while offering visitors an outstanding customer experience.

- **Retail First®**, focused on a diversified, up-to-date offering
- **Let's Play®**, the exciting side of shopping
- **Clubstore®**, hospitality the Klépierre way



3. ACT4GOOD™

As the industry leader in sustainability, Klépierre is sensitive to environmental and social challenges. To continue addressing them, in 2023, we have rolled out a new CSR strategy: Act4Good™, which aims to build the most sustainable platform for commerce by 2030 (see chapter 3 "Sustainable development").

4. STRICT FINANCIAL DISCIPLINE

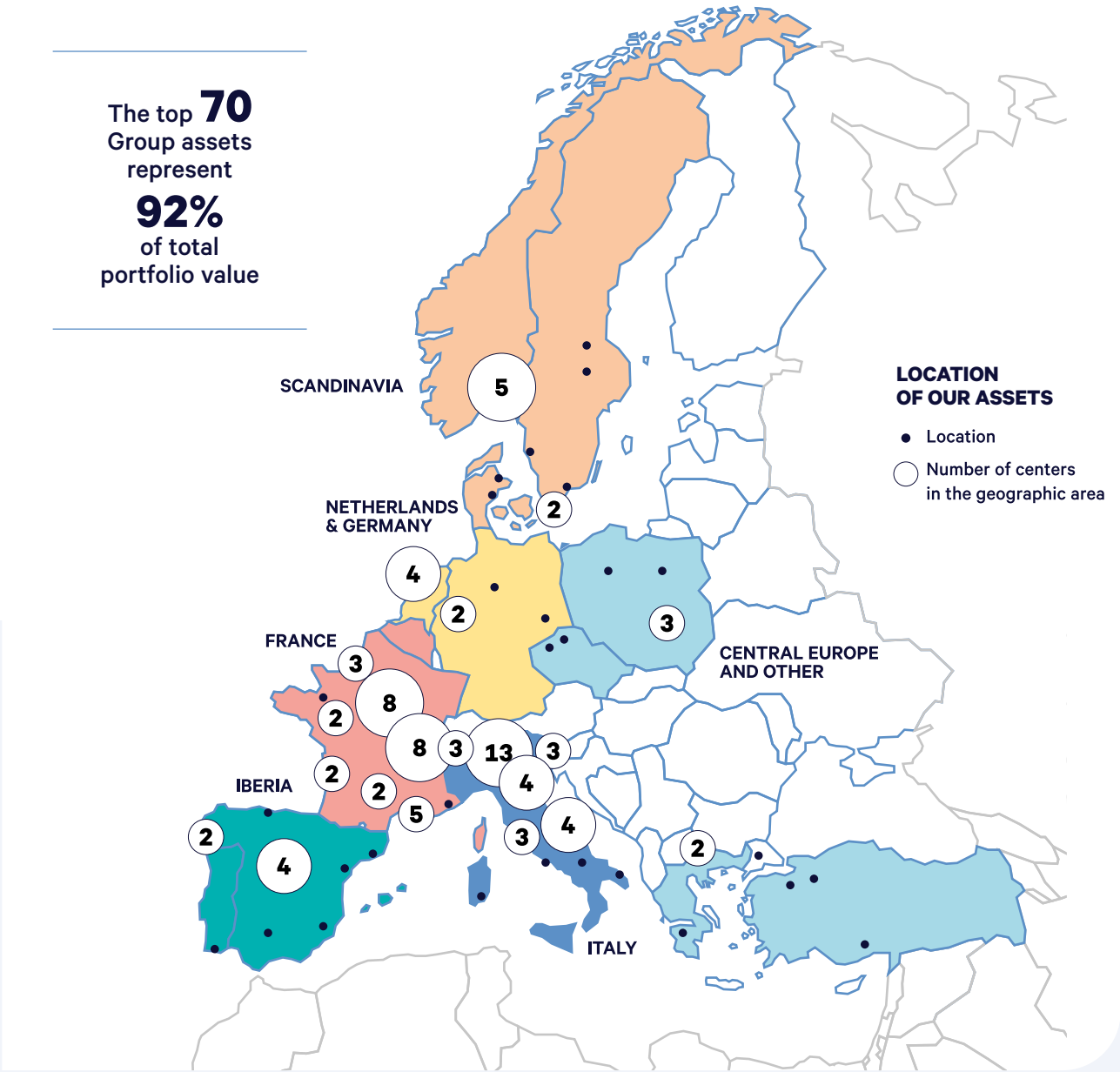
Solid credit metrics.
Strong cash flow to fund dividend payments while pursuing value-creating investments.

Through its customer-centric mall management, Klépierre endeavors to serve both retailers and shoppers as effectively as possible. Its conservative financial discipline and continuous optimization of portfolio value through asset disposals and targeted developments help maintain an optimized risk profile.

Leading shopping centers in continental Europe's largest cities

Over the past ten years, the Group has refocused its operations on the most vibrant 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. Klépierre has kept pace with this trend by refocusing on destinations identified by the leading retailers as the most affluent, densely populated and dynamic catchment areas in Europe.

Since 2012, the Group has disposed of more than 150 assets, for total proceeds of €8 billion, and acquired/developed assets in an aggregate amount of some €7 billion. These transactions have tripled the average value of a Klépierre shopping center.

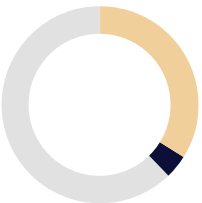


Targeted, value-creating development projects

Regarding development, Klépierre also regularly transforms its assets to strengthen their positioning in their catchment area. To do so, it focuses on renovation, extension and redevelopment projects that provide a source of significant net rental income with limited risk.

In addition, to capture the benefits of rising urbanization and housing demand, Klépierre is considering mixed-use development projects, based on amending potential building permits to enable the construction of premises for housing, offices, hotels or other uses.

€1.9 BILLION
IN POTENTIAL PROJECTS
(as a % of amounts to spend)



- 4% Committed projects
- 34% Controlled retail projects
- 62% Controlled mixed-use projects

Gran Reno Turin – Italy

The operating highlight of 2022 was the opening of the Gran Reno (Turin) extension bringing the total mall surface to 53,000sq.m. This operation led to a 47% increase in footfall compared to 2019 and a €49 million increase in retailer sales since the opening on July 7, 2022.

➤ For more information, see chapter 2 “Business of the year”.



2022 MAIN ACHIEVEMENTS

MAIN COMMITTED PROJECTS FOR 2023

Grand Place Grenoble – France

Designed to broaden the range of mall amenities and recreational activities, the Grand Place extension is scheduled for completion by the end of 2023.



Maremagnum Barcelona – Spain

The Maremagnum rooftop will host the first Time Out Market in Spain, making it the new must-see shopping and dining destination in Barcelona. The opening is planned for 2024, in time for the America's Cup.



TimeOut

Robust operational pillars



Retail First® Focused on the offering

Klépierre offers a comprehensive retail mix that resonates fully with shopper expectations. To do so, the Group relies on its operational teams, which managed to forge close relationships and long-term partnerships with the national and international retail chains. From pop-ups to small boutiques and flagships, Klépierre supports retailers as they grow their business and offers them just the right size format for their positioning.



Let's Play® A search for the unexpected, for emotion and for meaning

More than a place to shop, our shopping centers are lifestyle environments where you can meet up, offering shoppers the enhanced emotional appeal and plain fun that online shopping lacks.

- **Phygital:** foster synergies between physical shopping and the digital experience through loyalty programs, click & collect sales, information services, etc.
- **Social media:** create ties and interaction around and beyond the shopping center by mobilizing a community of 5.6 million followers.
- **Events:** from cooking classes, sports competitions to street art events, TEDx, concerts and blockbuster tours by global entertainment giants (Nickelodeon, Marvel or Disney).



ClubStore® Hospitality the Klépierre way

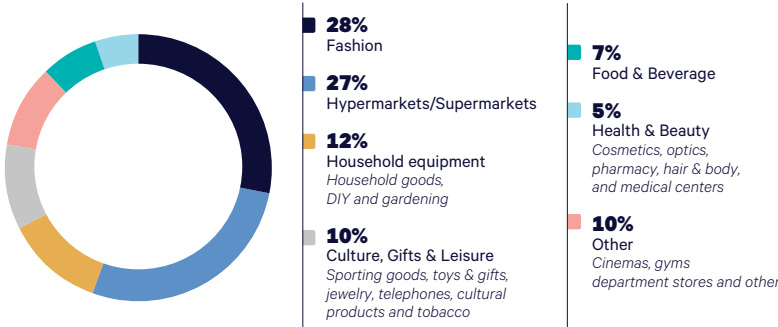
With its careful attention to making visitors feel welcome, Klépierre has designed a seamless, personalized, constantly enhanced customer journey. The journey is built around 16 critical points, from digital access to center greeters, from the parking lot to the storefronts. Our shopping centers' architecture and interior design exude comfort and well-being. Applied across the portfolio, our hospitality standards are constantly enhanced by integrating best practices and the increasingly granular knowledge of our visitors derived from regular satisfaction surveys.



A comprehensive retail mix

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

RETAIL MIX OF A KLÉPIERRE SHOPPING CENTER
(as a % of floor space)



The exciting side of physical shopping

- Klépierre's digital loyalty program offers its members:
- Exclusive offers from retailers and partner brands;
 - Invitations to events;
 - Exclusive complimentary services;
 - The chance to take part in prize draws.

LAUNCHED IN
SEPTEMBER 2021

More than
500,000
app downloads

37 shopping
centers
already involved



Our shopper experience vision 26-point increase

The 26-point increase in Net Promoter Score (NPS) between 2022 and 2017 attests to the concrete improvements deployed for visitors over the period. The indicator enables to measure shopper satisfaction and the likelihood that a visitor will recommend a Klépierre mall to friends and family.

NUMBER OF STORES
PER RETAIL GROUP
(data as of December 31, 2022)

Fashion	
188	INDITEX
155	CALZEDONIA
72	BESTSELLER
69	H&M
65	Etam
48	DEICHMANN
37	Levi's
16	PRIMARK
Culture, Gifts & Leisure	
104	THOM
50	JD Group
49	PANDORA
48	Foot Locker
38	FNAC DARTY
37	orange
Health & Beauty	
119	GrandVision
55	SEPHORA
49	DOUGLAS
37	RITUALS...
23	Normal
Food & Beverage	
67	McDonald's
37	BURGER KING
33	Starbucks
11	NESPRESSO

From Act for Good[®] to Act4Good[™], a new CSR strategy

BUILDING THE MOST SUSTAINABLE PLATFORM FOR COMMERCE BY 2030

In 2023, Klépierre, the European leader in shopping malls, launched its new CSR strategy, Act4Good[™], featuring even more ambitious objectives and an expanded scope with new challenges. Developed with a committee of independent experts, Act4Good[™] is focused on four pillars designed to enable Klépierre to build the most sustainable platform for commerce by 2030.

In 2018, Klépierre deployed a five-year corporate social responsibility plan based on 32 concrete objectives to act for the planet, act for territories and act for people. Today, these objectives have been met beyond expectations.

SOLID OUTCOMES FROM OUR 2018-2022 STRATEGY

99.8%

average rate of achievement of the 32 Act for Good[®] objectives

42%

reduction in the energy intensity of our portfolio⁽¹⁾

82%

reduction in Scopes 1 & 2 greenhouse gas emissions



With its new Act4Good[™] strategy, Klépierre now intends to take its commitment to the next level by building the most sustainable platform for commerce, thereby cementing its position as the industry's CSR leader.

The strategy rests on four pillars:

- Act for the climate by achieving net zero for 2030;
- Act to serve communities and territories around its shopping centers;
- Act to develop the skills of its employees, partners and visitors; and
- Act to promote sustainable lifestyles for everyone in the ecosystem – customers, retailers, employees, partners and citizens.

(1) Change versus the 2013 baseline.

WIDELY-ACKNOWLEDGED LEADERSHIP

Klépierre is regularly honored by the leading non-financial rating agencies and international organizations for its commitments and outcomes.

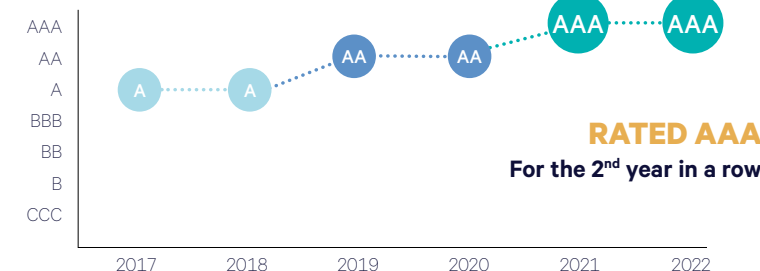


#1 GLOBAL RETAIL LISTED
#1 EUROPE RETAIL
#1 EUROPE LISTED
#1 EUROPE RETAIL LISTED
FIVE-STAR RATING



CLIMATE CHANGE STRATEGY

certified with the highest target classification (1.5°C)



2022 LEADERSHIP
A List Climate



Klépierre shares included in the CAC SBT 1.5° INDEX

A new climate-focused index investing solely in companies in the SBF 120 Index that have emissions reduction targets certified in line with the 1.5°C goal of the Paris Agreement.



2022 GOLD AWARD
for the 11th year in a row

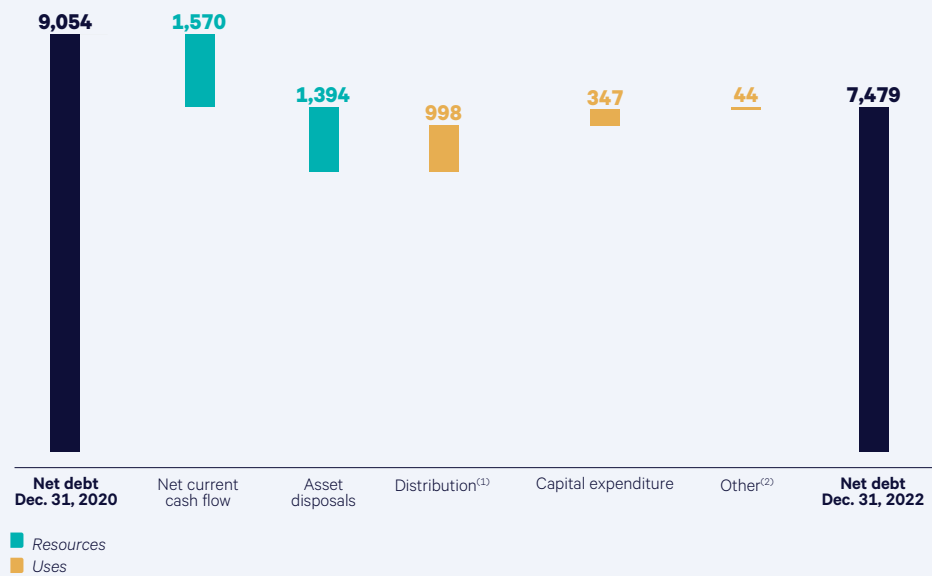
Strict financial discipline

In a fast-changing environment, Klépierre strives to improve its financial risk profile by ensuring long-term returns.

In 2022, this commitment resulted in:

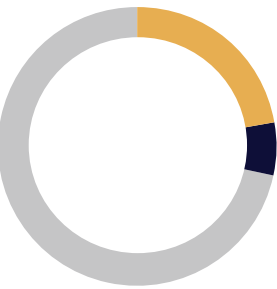
- A sharp reduction in debt, by around €530 million year on year and by €1.6 billion since December 31, 2020, fueled by strong growth in cash flow and asset disposals;
- A steady improvement in credit metrics, which rank among the best in the industry and underpin Klépierre's sustainably robust credit rating (BBB+, stable outlook, confirmed by Standard & Poors in May 2022);
- Abundant liquidity covering 36% of gross debt and constant access to capital markets.

NET DEBT REDUCED BY €1.6 BILLION OVER THE PAST TWO YEARS (in millions of euros)



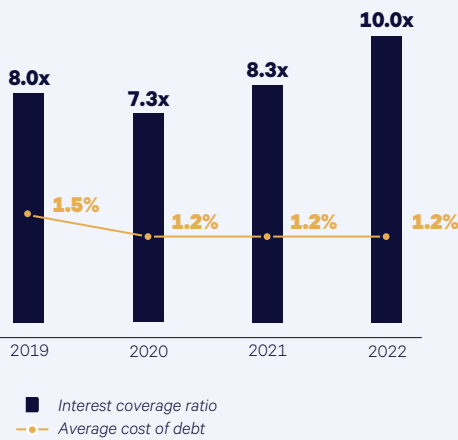
(1) Including dividends paid to Klépierre shareholders and to partners in joint ventures.
(2) Including change in working capital, non-recurring costs, restructuring of net debt and currency effect.

SIMON PROPERTY GROUP: A REFERENCE SHAREHOLDER THAT IS THE GLOBAL INDUSTRY LEADER IN SHOPPING CENTERS (shareholding structure as of December 31, 2022)



- 22.3% Simon Property Group
- 6.2% APG
- 71.5% Other shareholders (free float including treasury shares)

AVERAGE COST OF DEBT AND INTEREST COVERAGE RATIO, 2019-2022 (as of December 31, 2022)



MAIN CREDIT METRICS (as of December 31, 2022)

Interest coverage ratio	>	10.0x
Net debt to EBITDA	>	7.9x
Loan-to-value (LTV)	>	37.7%
S&P rating	>	BBB+ (stable outlook)



Value creation process

TRENDS

Shifting consumer practices

Growing urbanization in Europe

Rising importance of environmental issues

Property market dynamics

Degree of labor market tightness

Resources

Our model

Value creation

FINANCIAL

- €19.8bn in assets
- €7.5bn in net debt
- €6.2bn in market capitalization

BUSINESS AND CORPORATE

- 3,600 retailers

HUMAN AND INTELLECTUAL

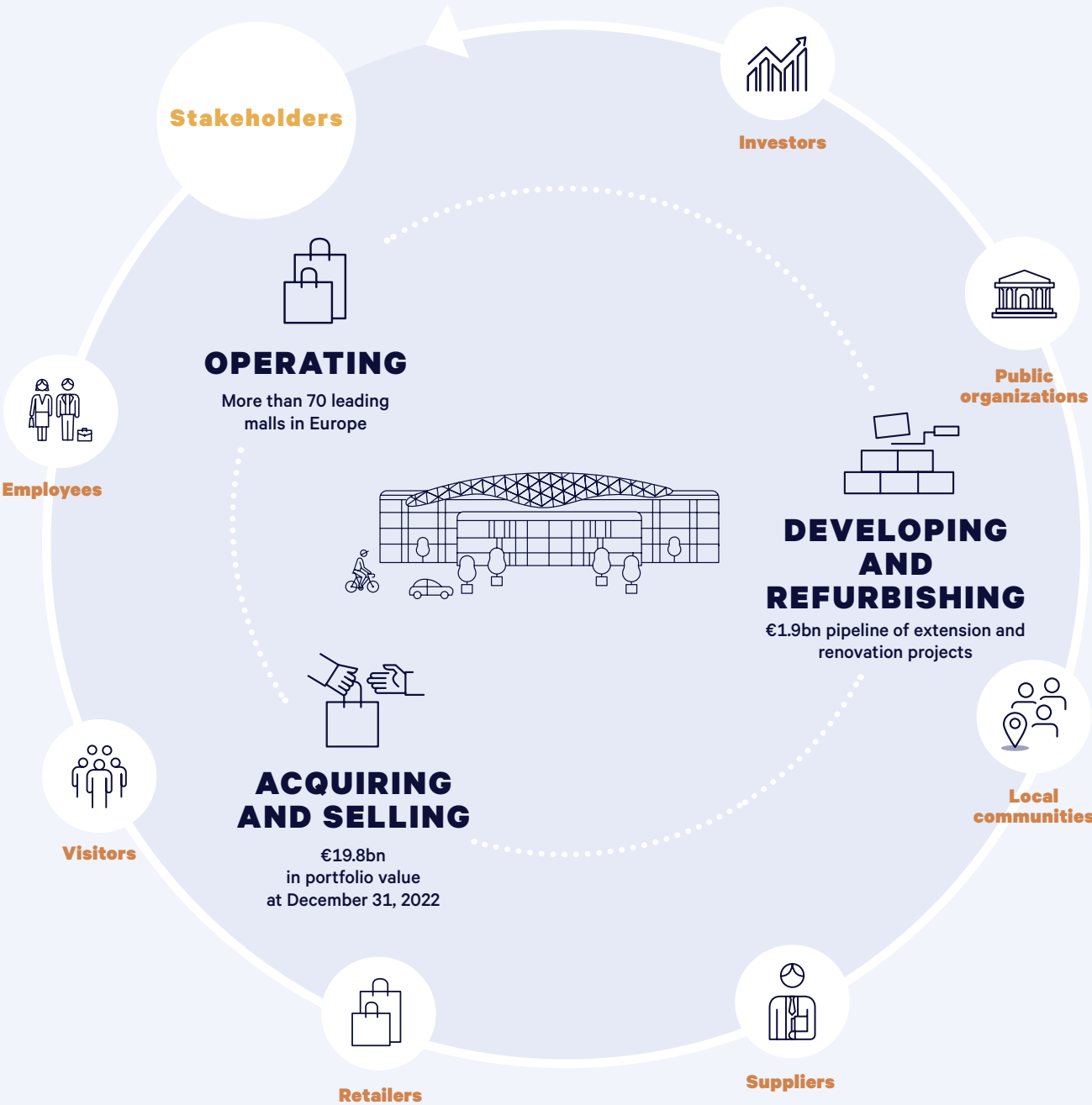
- 1,072 employees
- 38% women in the top 100 senior management positions

NATURAL

- 83.6 kWh/sq.m. in annual energy use
- 2.9m cu.m. in water consumption
- 100% of electricity from renewable sources

INFRASTRUCTURE & TECHNOLOGY

- 100% of assets accessible via public transport
- More than 10 partnerships with start-ups at Group level
- 238 TB of data (excluding backups)



FINANCIAL

- €851m in net current cash flow
- €485m distributed to shareholders in respect of fiscal year 2021

BUSINESS AND CORPORATE

- 1,360 new leases
- For every Klépierre job created, 2.2 jobs are created in the local economy
- 100% of centers having donated space to a local initiative
- Net Promoter Score up 26 points versus 2017
- €88m in local taxes

HUMAN AND INTELLECTUAL

- 32% of open positions filled internally
- 100% of employees have access to training
- 100% of young graduates supported with personalized career guidance

NATURAL

- 82% reduction in carbon intensity versus 2017
- 42% reduction in energy intensity versus 2013
- 100% of shopping centers environmentally certified
- 100% of recovered waste

INFRASTRUCTURE & TECHNOLOGY

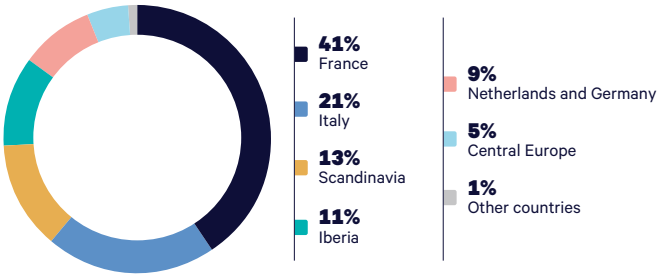
- €8m in capital expenditure committed to IT projects

Financial performance

INCOME STATEMENT	2018	2019	2020	2021	2022
Gross rental income (in millions of euros)	1,252.2	1,242.3	1,062.4	1,006.4	1,162.4
Net rental income (in millions of euros)	1,119.0	1,130.6	846.2	879.5	1,035.3
EBITDA (in millions of euros)	1,025.7	1,053.2	797.2	806.8	955.0
Net current cash flow (Group share, in millions of euros)	793.7	830.3	586.9	622.3	740.8
Net current cash flow per share (in euros)	2.65	2.82	2.05	2.18	2.62
Dividend per share (in euros)	2.10	2.20	1.00	1.70	1.75 ⁽¹⁾
OPERATING INDICATORS					
Reversion	11.1%	8.2%	4.5%	0.9%	4.1%
Occupancy cost ratio	12.3%	12.4%	13.2%	12.6%	12.9%
EPRA vacancy rate	3.2%	3.0%	4.8%	5.3%	4.2%
Bad debt rate ⁽²⁾	1.7%	1.6%	16.0%	13.3%	3.6%
Change in retailer sales (like for like)	0.9%	1.8%	-11.0%	10.1%	25.0%
TOTAL PORTFOLIO VALUE					
Portfolio (total share) (in millions of euros, including transfer taxes)	24,440	23,673	21,859	20,713	19,832
EPRA net initial yield	4.9%	5.0%	5.3%	5.2%	5.4%
EPRA NTA per share (in euros)	N/A	36.9	31.4	31.2	30.9
FINANCIAL INDICATORS					
Net debt (in millions of euros)	8,875	8,830	9,054	8,006	7,479
Average cost of debt	1.6%	1.5%	1.2%	1.2%	1.2%
Interest coverage ratio	7.0x	8.0x	7.3x	8.3x	10.0x
Loan-to-value (LTV)	36.3%	37.3%	41.4%	38.7%	37.7%
Net debt to EBITDA	8.3x	8.0x	10.8x	8.8x	7.9x

(1) Submitted to shareholder approval at the May 11, 2023 General Meeting. For more information, see chapter 2 "Business of the year".
(2) Bad debt rate corresponds to: 1 - expected collection rate.

PORTFOLIO VALUE BY COUNTRY
(as a % of the total at December 31, 2022)

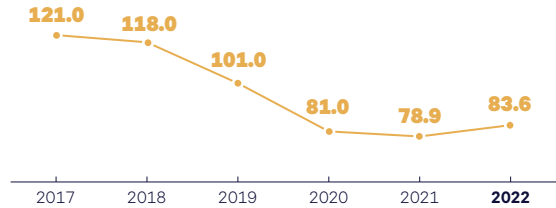


Non-financial performance⁽¹⁾

	2020	2021	2022
ACT FOR THE PLANET			
Reduction in energy consumption for common and serviced areas ⁽²⁾	-43%	-45%	-42%
Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas	93%	95%	100%
Percentage of recovered waste	96%	98%	100%
Percentage of centers that have a sustainable development certification (by value)	100%	100%	100%
ACT FOR TERRITORIES			
Percentage of centers that have contributed to local employment (by value)	95%	100%	100%
Percentage of centers that have made space available for local actors (by value)	98%	100%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer (by value)	98%	98%	100%
ACT FOR PEOPLE			
Increase in the Group's Net Promoter Score (NPS) versus 2017	+8 pts	+18 pts	+26 pts
Rate of access to training for Group employees	100%	100%	100%
Percentage of centers that have promoted health and well-being (by value)	99%	100%	100%

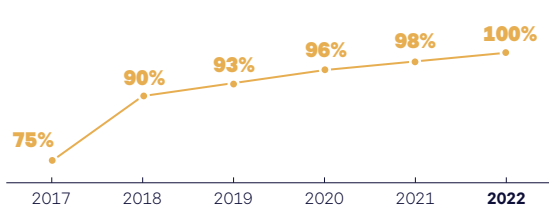
ENERGY INTENSITY IN COMMON AND SERVICED AREAS

(in kWh/sq.m., reported scope)



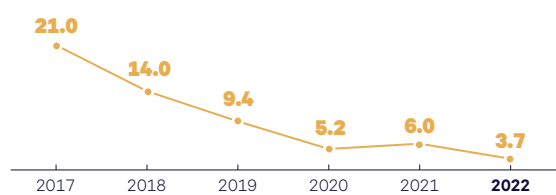
PERCENTAGE OF RECOVERED AND REUSED WASTE

(% of total tonnage produced, reported scope)



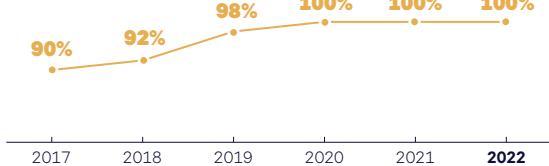
DIRECT GREENHOUSE GAS EMISSIONS INTENSITY

(Scopes 1 & 2) (in kgCO₂/sq.m., market-based, reported scope)



PERCENTAGE OF EMPLOYEES ATTENDING AT LEAST ONE TRAINING SESSION DURING THE YEAR

(reported scope)



(1) For more information on the scope of reporting and content of these indicators, please refer to chapter 3 "Sustainable Development".
(2) Change versus the 2013 baseline.

Design and production: **côtécorp.**

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