

PRESS RELEASE

# INFORMATION CONCERNING THE IMPACT OF THE COVID-19 EPIDEMIC ON KLÉPIERRE'S ACTIVITIES IN ITALY

Paris, March 12, 2020

Over the course of the early part of 2020, the Covid-19 epidemic has gradually spread from China to Continental Europe. Since the end of February, containment measures initially imposed on northern Italy have been extended to the rest of the country. Initially, Klépierre's Italian malls were subject to temporary restrictions on opening hours (evenings and weekends). On the evening of March 11, the Italian Prime Minister ordered all shops across the country to close until March 25, except for certain essential services and those selling bare necessities, including grocery stores and pharmacies.

Between February 22, 2020, when the initial measures were enacted by the Italian government, and March 11, footfall in Klépierre's Italian malls fell by 30%; the decrease was 45% over the last seven days of that period. In other countries where the Group operates, footfall is slightly negative over the same time span, down by 3% overall and 6% over the last seven days of the period.

Klépierre's Italian malls in 2019 represented €205.7 million or 16.6% of gross rental income on a total share basis. At this stage, it is too early to determine the situation's impact on the contractual obligations of our retailers or to estimate the effect of any case-by-case support measures the Group may decide upon, particularly as regards adapting payment deadlines.

Although a significant proportion of Italian gross rents (90.5% in 2019) consist of minimum guaranteed amounts with an average residual lease term of 4.1 years, a persistent, deeper and more generalized decline in retailers' sales could adversely affect their solvency and Klépierre's ability to collect a portion of said rents. Given the lack of visibility over the likely duration of the epidemic, it is not currently possible to measure the impact the situation may have on the Group's 2020 net current cash flow per share.

The Group set up a crisis management team in mid-February 2020, supported by external experts, with the aim of containing the impact of the epidemic on consumers and retailers in its shopping centers, as well as on the Group's employees. This unit is coordinating Klépierre's response to the crisis in each affected area, ensuring that its operations are compliant with any measures enacted by the authorities on a real-time basis,



and adjusting the Group's operating organization and resources so as to ensure the best possible health and safety conditions while maintaining business continuity.

Once the health situation has stabilized, the Group remains confident in its ability to continue its growth momentum, leveraging the quality of its portfolio, its unique operational know-how and the strength of its balance sheet.

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## ABOUT KLÉPIERRE

Klépierre is the European leader in shopping malls, combining property development and asset management skills. The company's portfolio is valued at €23.7 billion at December 31, 2019 and comprises large shopping centers in 12 countries in Continental Europe which together host 1.1 billion visits per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager. Klépierre is a French REIT (SIIC) listed on Euronext Paris and is included in the CAC Next 20, EPRA Euro Zone and GPR 250 indexes. It is also included in ethical indexes, such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120, and figures in CDP's "A-list". These distinctions underscore the Group's commitment to a proactive sustainable development policy and its global leadership in the fight against climate change.

For more information, please visit the newsroom on our website: [www.klepierre.com](http://www.klepierre.com)



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