

INVESTORS PRESENTATION

MAY 2020



KLEPIERRE

SHOP. MEET. CONNECT.®



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01

EXECUTING OUR STRATEGY



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2019: A STRONG YEAR



2019 net current cash flow of **€2.82**, up 6.7%

AS WE REMAINED FOCUSED ON EXECUTING OUR STRATEGY...

1

PRE-EMINENT ASSETS
IN LARGE CITIES

2

CUSTOMER-CENTRIC
OPERATIONS

3

FINANCIAL DISCIPLINE



OUR PORTFOLIO IS NOW HIGHLY CONCENTRATED

Over the past 5 years, we have disposed of 48 assets
for a total amount of €2.6bn⁽¹⁾

100 properties
represent
96%
of the total value⁽²⁾
(vs. 94% in 2017)

⁽¹⁾ Disposal amounts include properties other than shopping centers, and are on a total share basis, excluding transfer duties.

⁽²⁾ Property value on a total share basis, including transfer duties



SHOP. MEET. CONNECT.® CREATES RETAILER AND CUSTOMER PREFERENCE FOR OUR MALLS



Growing sales



Strong occupier appetite

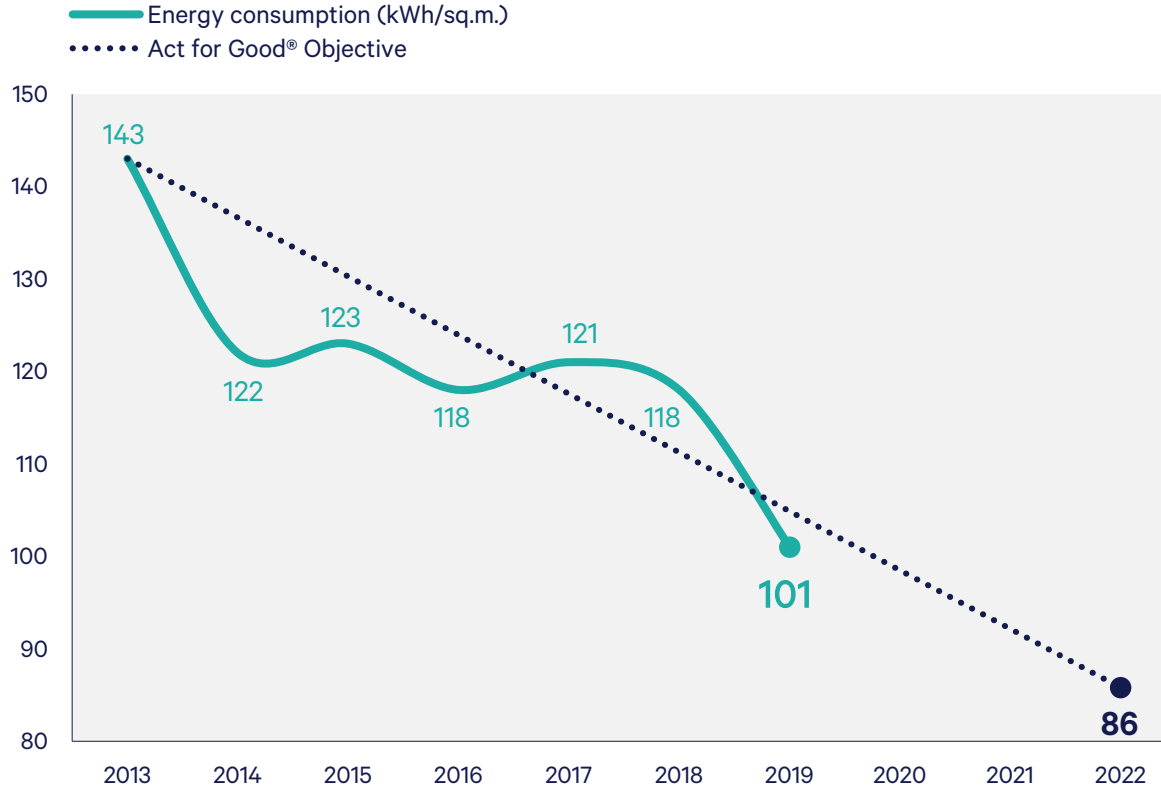


Renewed mix



Increased NPS

ACT FOR GOOD®: WE SHARPLY REDUCED OUR ENERGY CONSUMPTION



-29%
in 6 years
(2013-2019)

On track to achieve a
40% reduction
by 2022

LEADING TO A 72% DECREASE IN CARBON EMISSIONS SINCE 2013



93%

Renewable electricity used to power common and serviced areas (vs. 73% in 2018)

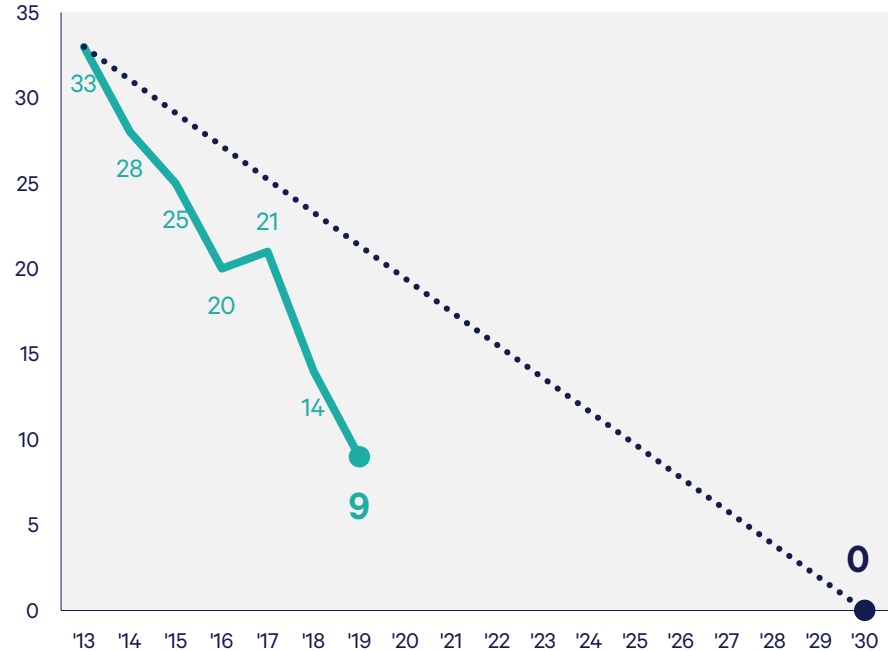


100%

of our portfolio to reach carbon neutrality by 2030

Klépierre's carbon footprint since 2013

— Scopes 1 & 2 GHG emissions (in kgCO₂e/sq.m., market-based approach)
..... Act for Good® objective



OUR PORTFOLIO IS NOW FULLY BREEAM IN-USE CERTIFIED



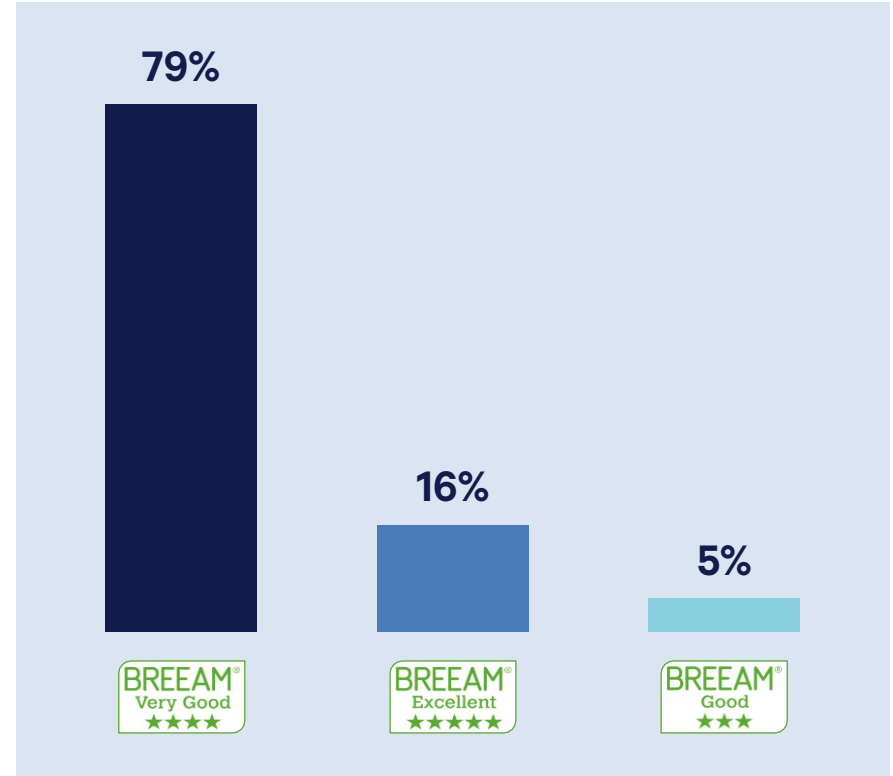
Largest portfolio fully certified worldwide⁽¹⁾



95% “Excellent” or “Very Good”



One of our key 2022 Act for Good® targets reached 3 years ahead of schedule



⁽¹⁾ In asset values.

ENGAGING WITH OUR COMMUNITIES



97%

Share of our malls⁽¹⁾ making space available for local initiatives
(vs. 76% in 2018)



+8 points

NPS increase vs. 2018

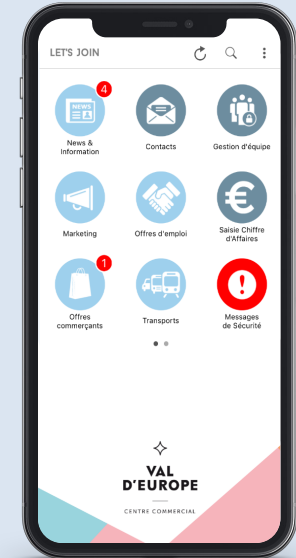


87%

Share of our malls⁽¹⁾ offering dedicated services to our retailers' staff
(vs. 60% in 2018)

⁽¹⁾ As a percentage of asset values.

Our “Let’s Join” app to service the community of our retailers’ and suppliers’ staff working in our malls



8 malls, **8,000** users, **95%** store registration rate

02

2019: SOLID
OPERATING RESULTS



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OUR NET RENTAL INCOME GROWTH IS ROBUST



Like-for-like **NRI growth** is benefiting from our **balanced geographical** footprint



Strong **reversion**, fast growth of **specialty leasing income & other revenues** (+7%)

Shopping center like-for-like NRI growth⁽¹⁾ by geography

Iberia	+7.8%
Netherlands	+5.5%
Italy	+3.2%
Scandinavia	+2.4%
France-Belgium	+2.2%
Central Europe & Other	+1.7%
Germany	-1.4%
TOTAL	+3.0%

⁽¹⁾ Like-for-like excludes the contribution of new spaces (acquisitions, new centers, and extensions), spaces being restructured, disposals completed since January 2018, and foreign exchange impacts.

OCCUPIER DEMAND IS TRANSLATING INTO DYNAMIC LEASING, DELIVERING POSITIVE REVERSION...



1,598

Leases signed



+8.2%

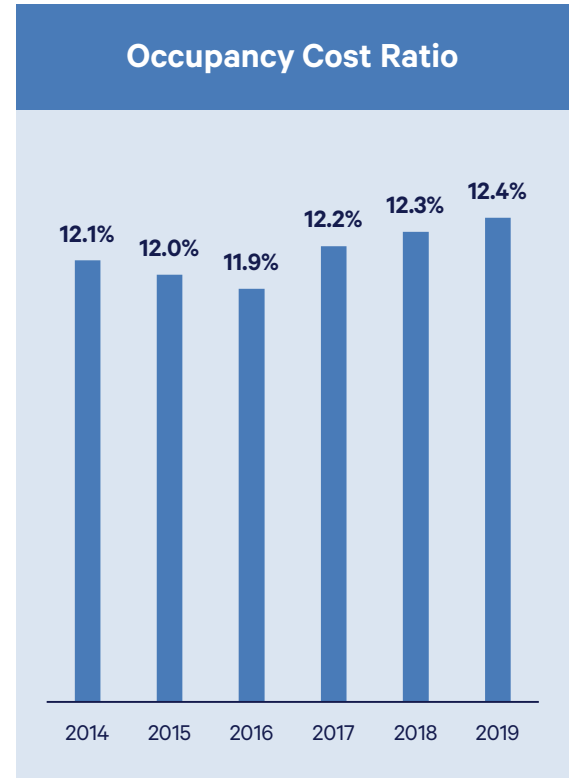
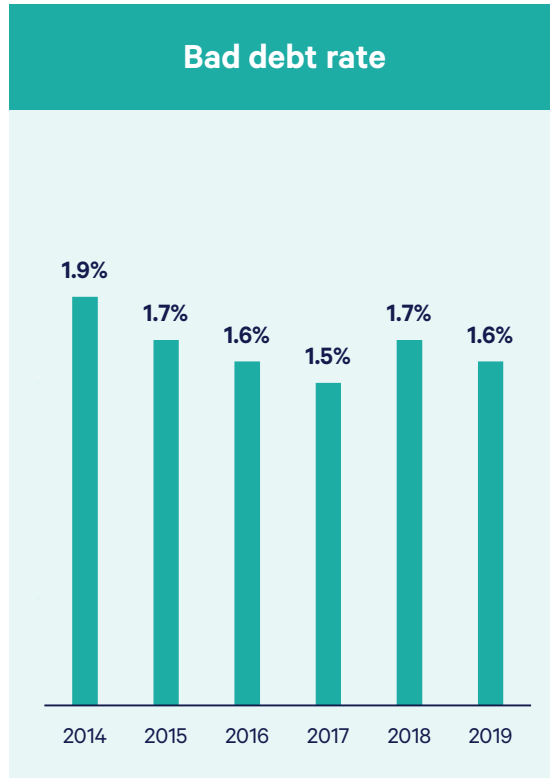
Average reversion⁽¹⁾

Reversion rates⁽¹⁾ by geography

Iberia	+18.1%
Italy	+10.3%
Netherlands	+8.9%
France-Belgium	+8.2%
Central Europe & Other	+6.6%
Scandinavia	+5.7%
Germany	-9.3%
TOTAL	+8.2%

⁽¹⁾ Reversion calculated on the basis of Minimum Guaranteed Rents for renewed and re-let spaces. Scope includes assets accounted for under the equity method based on a 100% share.

...AND KEEPING OUR OPERATING FUNDAMENTALS AT GOOD LEVELS



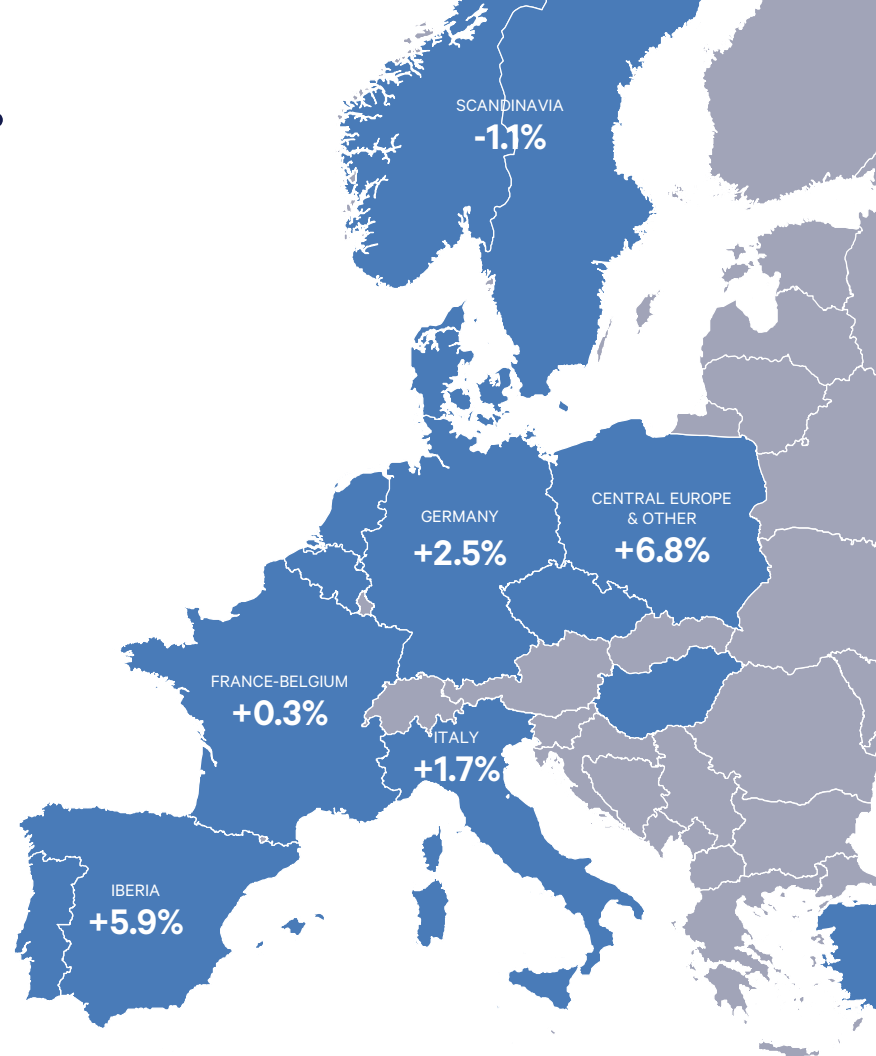
WHILE RETAILER SALES GROWING AT 1.8%



Slight overall improvement in H2 (+1.9% vs. +1.6% in H1) mostly driven by **Italy** and **Scandinavia**, while **France** was impacted by the **strikes**

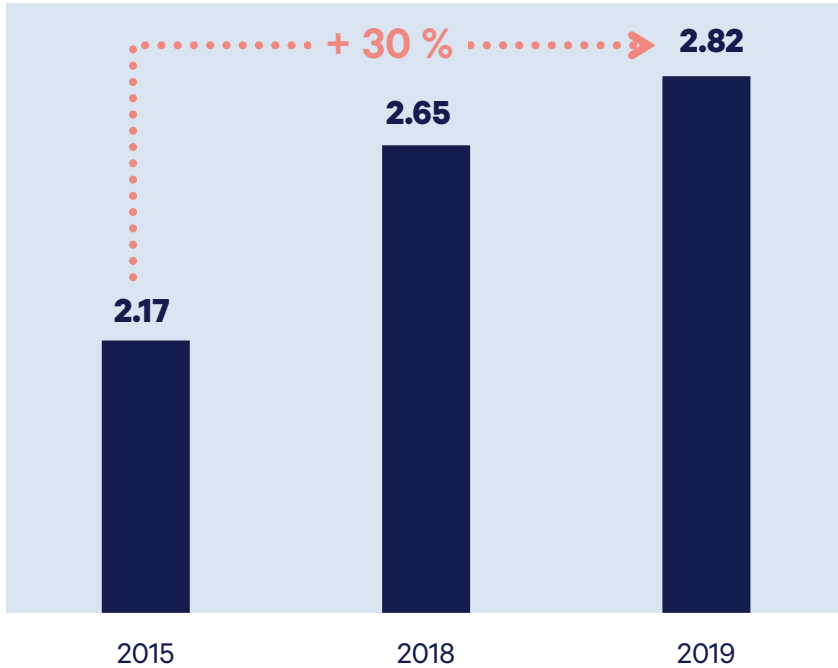
Remarkable growth in Iberia (+5.9%) and **Central Europe** (+6.8%)

Figures are on a like-for-like basis, which excludes the impact of asset sales and acquisitions, new developments and forex.

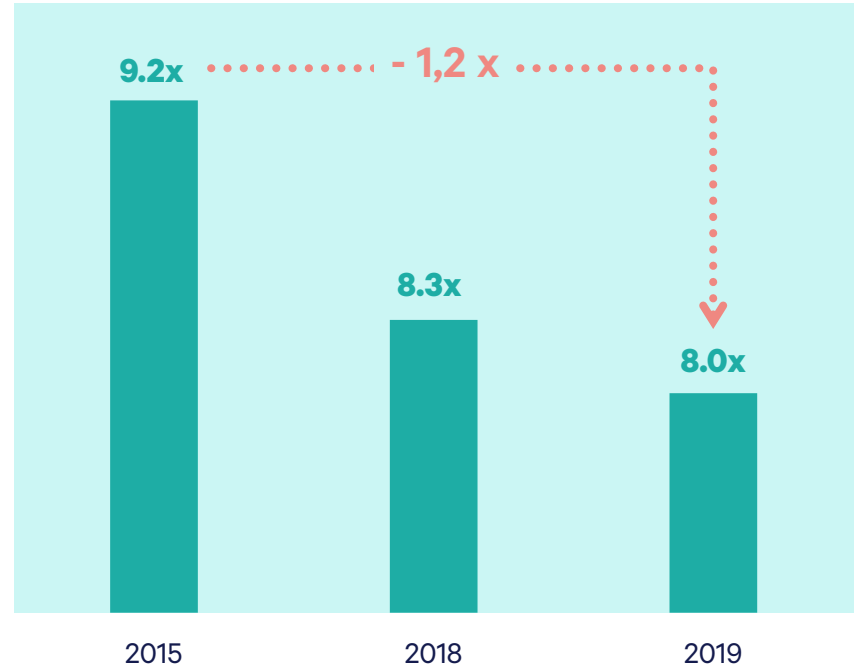


COMBINING CASH FLOW GROWTH WITH MODERATE LEVERAGE

Net current cash flow per share



Net debt/EBITDA



03

MAINTAINING SOUND
FINANCIAL MANAGEMENT



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WE HAVE PURSUED AN ACCRETIVE CAPITAL ROTATION POLICY

€537m

In disposals of non-core assets
7.0% EPRA Net Initial Yield

€300m

in share buybacks
8.9% cash flow yield⁽¹⁾

€188m

in pipeline projects
6.6% average yield on cost

⁽¹⁾ Based on 2019 net current cash flow per share of €2.79 divided by share price of €31.29 (average price of shares repurchased in 2019).

OPENING OF THE CRÉTEIL SOLEIL'S EXTENSION

Total investment of €137m (extension and renovation)



100%
let at opening⁽¹⁾



6%
yield on cost⁽²⁾



+19%
Footfall increase⁽³⁾



⁽¹⁾ Let or under advanced negotiations.

⁽²⁾ Blended yield including development and refurbishment capex.

⁽³⁾ December 2019 vs. December 2018.

OUR LEVERAGE REMAINS STABLE AND MODERATE



€45m

reduction in net debt over 2019

(€8,830m as of December 31, 2019)



8.0x

Net debt/EBITDA

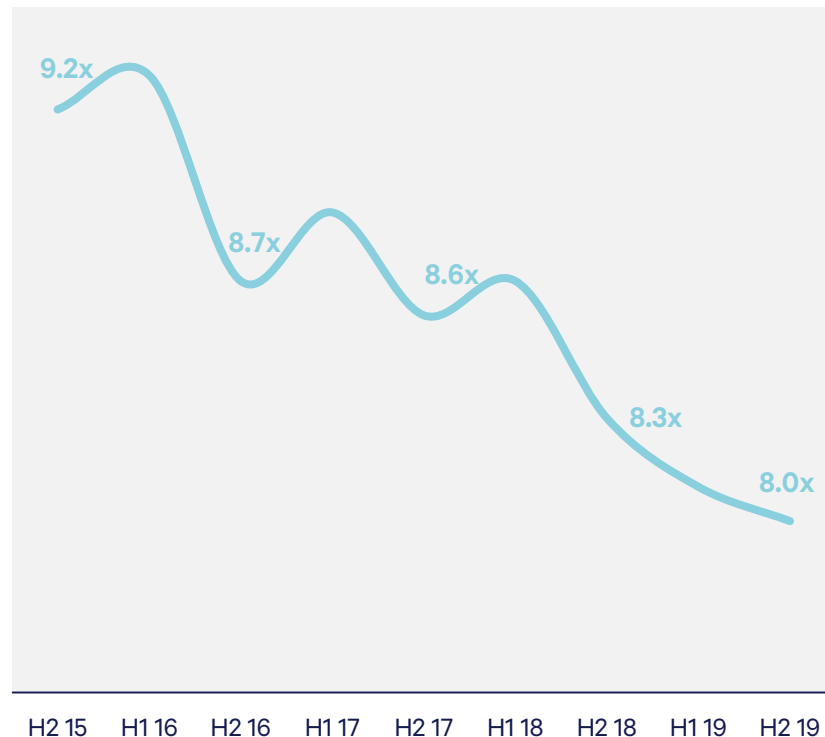
0.3x decrease vs. December 31, 2018



6.5 years

Average maturity of debt

Net Debt/EBITDA since 2015



OUR COST OF DEBT FELL ONCE AGAIN



1.45%

Further decline in the cost of debt



8.0x

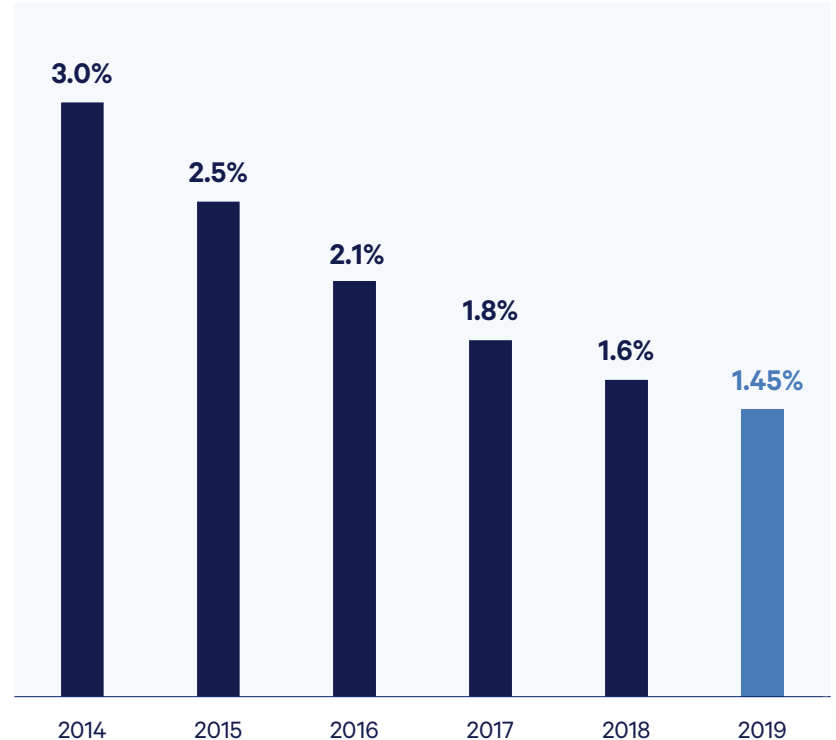
translating into a further improvement (+1.0x) in the interest coverage ratio



4.6% & 5.4%

Coupons to refinance in 2020

Cost of debt since 2014



THE VALUATION OF OUR SHOPPING CENTER PORTFOLIO WAS DOWN 2.0% IN 2019



Due to a negative **market effect** (-2.3%), offsetting a slightly positive **cash-flow effect** (+0.3%)



Highest risk premium in a decade

Shopping center valuation as of December 31 , 2019

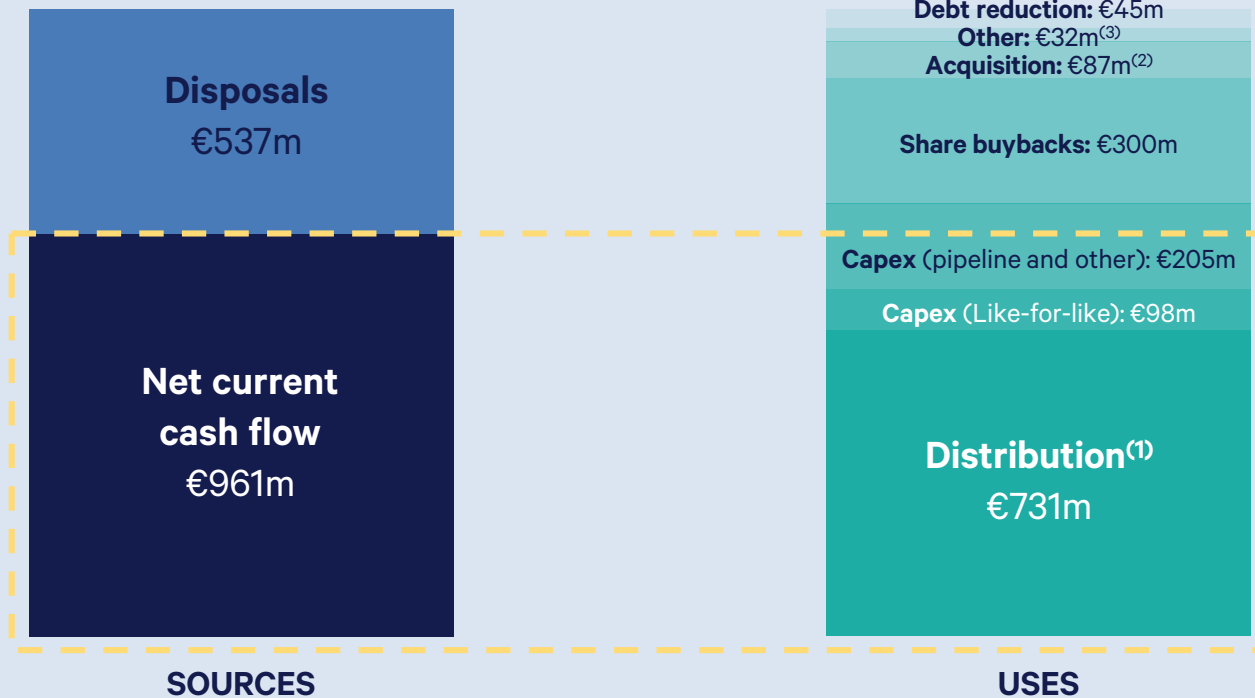
(Total share basis, incl. transfer taxes)

	% of the portfolio	12-month LfL change ⁽¹⁾	2019 EPRA NIY ⁽²⁾
France-Belgium	40%	-3.5%	4.3%
Italy	17%	-0.6%	5.5%
Scandinavia	16%	-1.2%	4.6%
Iberia	10%	+1.5%	5.7%
Central Europe & Other	6%	-1.9%	6.5%
Netherlands	6%	-2.3%	5.4%
Germany	4%	-3.7%	4.5%
TOTAL	100%	-2.0%	5.0%

⁽¹⁾ For Scandinavia and Turkey, change is indicated on a constant portfolio and forex basis.

⁽²⁾ EPRA Net Initial Yield calculated on the basis of internal cash passing rents.

WELL-BALANCED USES AND SOURCES



⁽¹⁾ Including dividend paid to shareholders and to minorities.

⁽²⁾ Acquisition of a minority stake in Belle Épine.

⁽³⁾ Including non-recurring costs, net debt restructuring, forex and change in working capital.

04

CONCLUSION ON THE 2019 RESULTS



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2019 OVERVIEW

+3.0%

High like-for-like **net rental income** growth

+6.7%

Robust net current cash flow per share growth

€645m

Sustained pace of **disposals**⁽¹⁾, **6%** above book value

8.0 x

Further reduction in **net debt/EBITDA** (-0.3x)

⁽¹⁾ Total share, including transfer taxes and including sales under promissory agreements

05

**FIRST QUARTER 2020 BUSINESS REVIEW
AND IMPACT OF COVID-19**



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FIRST-QUARTER TOTAL REVENUES DECREASED BY 4.2%, AS A RESULT OF DISPOSALS IN 2019



Total revenues decreased by 4.2% mainly due to **disposals** in Hungary, Portugal, the Netherlands and negative foreign exchange effect from Scandinavian currencies



Net rental income was **stable** (+0.1% on a like-for-like basis), taking into account **lower variable income** following the closure of stores in March due to the pandemic



Restated for this effect, like-for-like net rental income was up **2.3%**

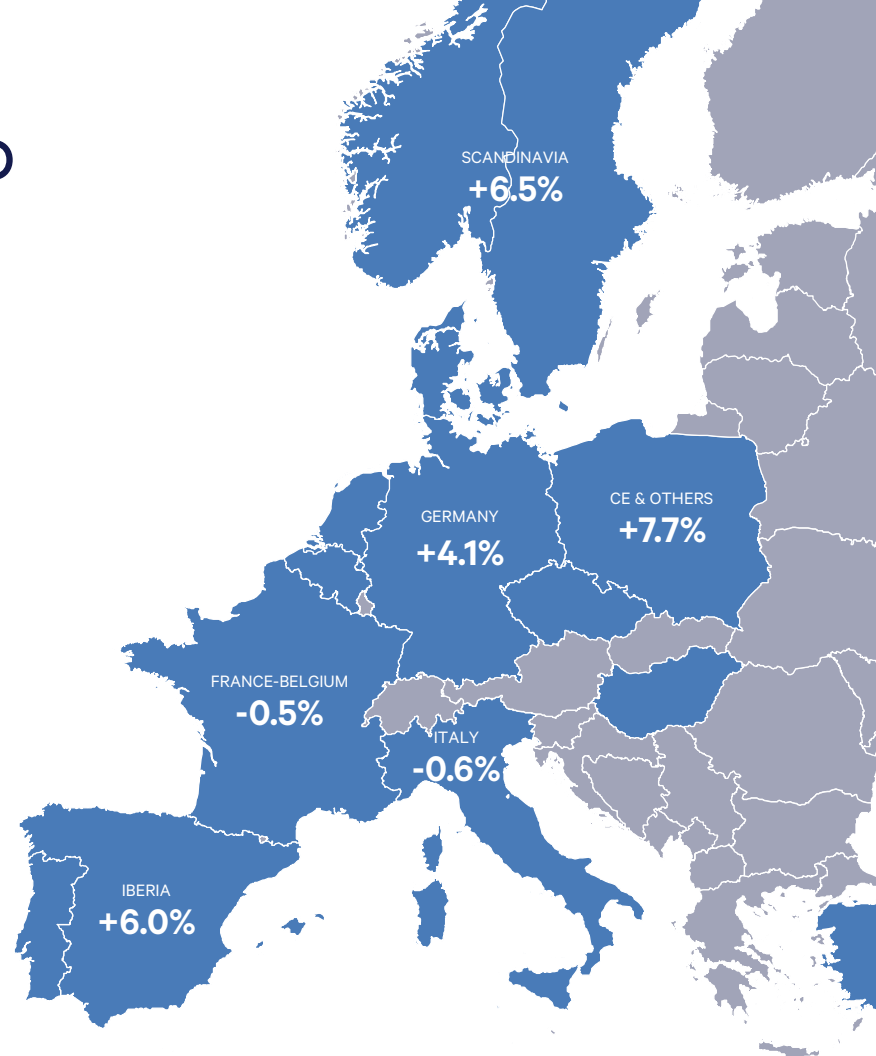
€ millions (total share, excl. equity-accounted investees)	Q1-2019	Q1-2020	Reported Change	Like-for-like change ⁽¹⁾
France-Belgium	111.1	108.6	-2.2%	-
Italy	51.3	51.0	-0.6%	-
Scandinavia	46.2	43.3	-6.2%	-
Iberia	35.4	33.9	-4.4%	-
Central Europe & other	28.1	22.5	-19.9%	-
Netherlands	20.3	20.1	-1.3%	-
Germany	12.4	12.4	+0.5%	-
Shopping centers	304.9	291.9	-4.3%	-
Other retail properties	6.3	5.3	-15.8%	-
Total gross rental income	311.2	297.2	-4.5%	-
Management & Development Fees	19.5	19.7	+0.7%	-
Total revenues	330.7	316.8	-4.2%	-
Shopping centers net rental income	252.8	265.2	-4.7%	+0.1%

⁽¹⁾ Like-for-like change excludes the contribution of new spaces (acquisitions, greenfield projects or extensions), spaces being restructured, disposals completed in 2019 and 2020, and foreign exchange impacts.

STRONG RETAILER SALES IN THE FIRST TWO MONTHS OF THE YEAR (+2.5%)

Retailer sales were dynamic at the in January: **+0.9%**
and February: **+4.4%**

The **closure** of most of the **stores** in Klépierre shopping centers since **mid-March** makes it meaningless to compare sales of the first quarter of 2020 with those of last year.



Figures are on a like-for-like basis, which excludes the impact of asset sales and acquisitions, new developments and forex.

MOST SHOPS HAVE BEEN CLOSED IN MARCH



Closures of shops imposed
in **7 countries**
since early/mid-March⁽¹⁾



22% of the portfolio's stores
are opened as of April 28, 2020

Opening status in the main countries

Administrative measures	Country ⁽¹⁾	% of shops opened ⁽²⁾
Complete closure <i>(Excluding stores selling bare necessities)</i>	France	5%
	Italy	10%
	Spain	7%
	Portugal	12%
	Denmark	5%
	Poland	9%
	Czech Republic	20%
Partial closure	Norway	90%
	Sweden	98%
	Germany ⁽³⁾	58%
	Netherlands	62%

⁽¹⁾ Excluding stores selling bare necessities in France, Italy, Spain, Portugal, Germany, Denmark, Poland and the Czech Republic. In Norway, Sweden and the Netherlands, only partial administrative closures have been issued (mainly for bars and restaurants). However, some retailers have voluntarily decided to close their shops in these countries.

⁽²⁾ As of April 28, 2020.

⁽³⁾ Since April 20, 2020 in Germany, shops of less than 800 m² are allowed to open.

**SINCE THE BEGINNING OF THE LOCKDOWN,
WE HAVE LAUNCHED AN ACTION PLAN BASED ON 4 PILLARS**

#1

**Decrease of service charges
for the benefit of tenants**

#2

**Reduction and deferral of
capital expenditure**

#3

**Decrease in payroll
and G&A**

#4

**Monthly invoicing and deferral
of April's rents to H2⁽¹⁾**

⁽¹⁾ Monthly rental payments for the second quarter's rents and deferral of April's rental payments to the second half of the year for stores affected by administrative closures.

ALL COUNTRIES ARE PREPARING THE REOPENING PHASE, ALTHOUGH AT DIFFERENT PACES



**Gradual recovery of
business activity during
the second quarter**

Country	Closure order end dates		
	Lockdown	Schools	Retailers
France	May 11	May 11	May 11 ⁽¹⁾
Italy	May 3	September	May 18 ⁽²⁾
Spain	May 10	September	May 25 ⁽²⁾
Portugal	May 2	September	May 15 ⁽²⁾
Norway	No lockdown	April 27	Open
Sweden	No lockdown	TBD	Open
Denmark	May 10	April 15	May 10
Netherlands	No lockdown	Mid-May	Open
Germany	May 3	May 4	Open
Poland	April 19	April 26	May 4
Czech Republic	April 30	May 25	May 11

⁽¹⁾ Re-opening for shopping centers smaller than 40,000 sq.m. Local authorities (prefects) may decide to close shopping centers larger than 40,000 sq.m. (legal basis to be published).

⁽²⁾ Company's estimates.

In the majority of the countries, the re-openings proceed in a progressive way.

WE ARE PREPARING OUR SHOPPING CENTERS FOR REOPENING



Strict enforcement of **social distancing** rules: at both the entrance to the mall (filtering) and inside



In line with **local standards, body temperature** checks and controls on the wearing of **masks**



Enhanced cleaning regime and more frequent **renewal of air**



Partnering with **retailers** to identify non-compliant situations and **adapt processes** quickly



Active and transparent communication to **visitors** and **staff** through all on-site media

OUTLOOK

2020 Guidance

Given the difficulty to assess the impact of COVID-19 on our results, we withdraw our initial guidance.

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