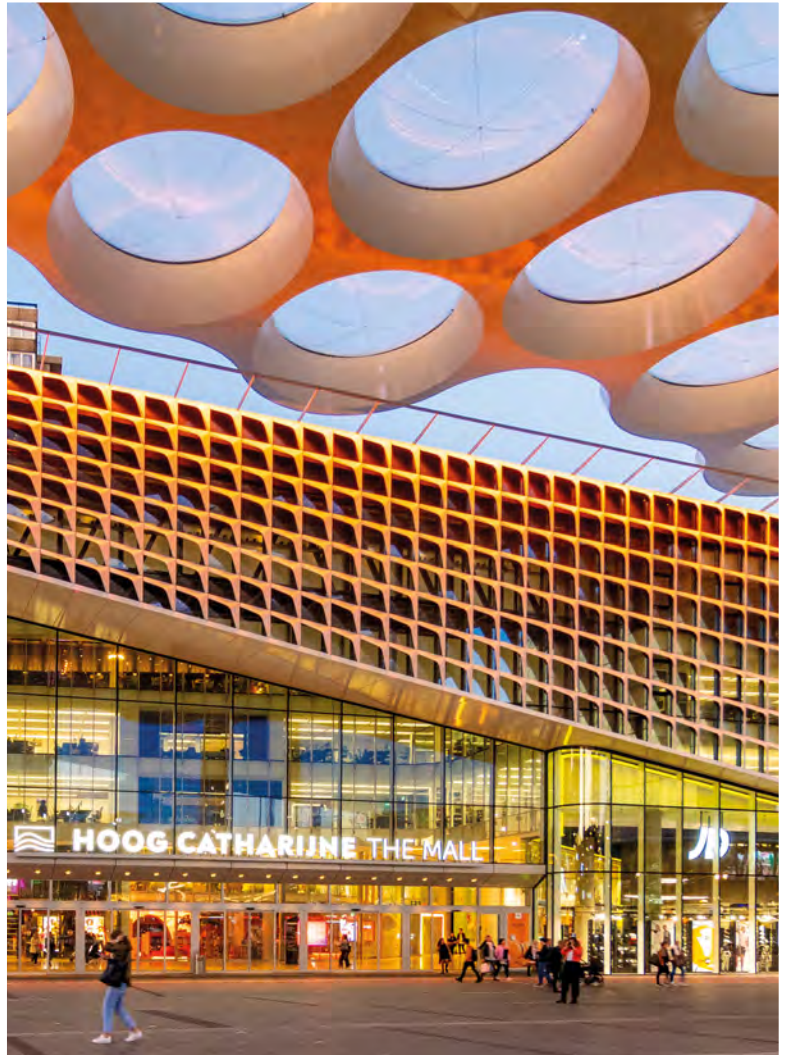


# 2020 Group overview





# Group overview

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## CHAIRMAN'S MESSAGE

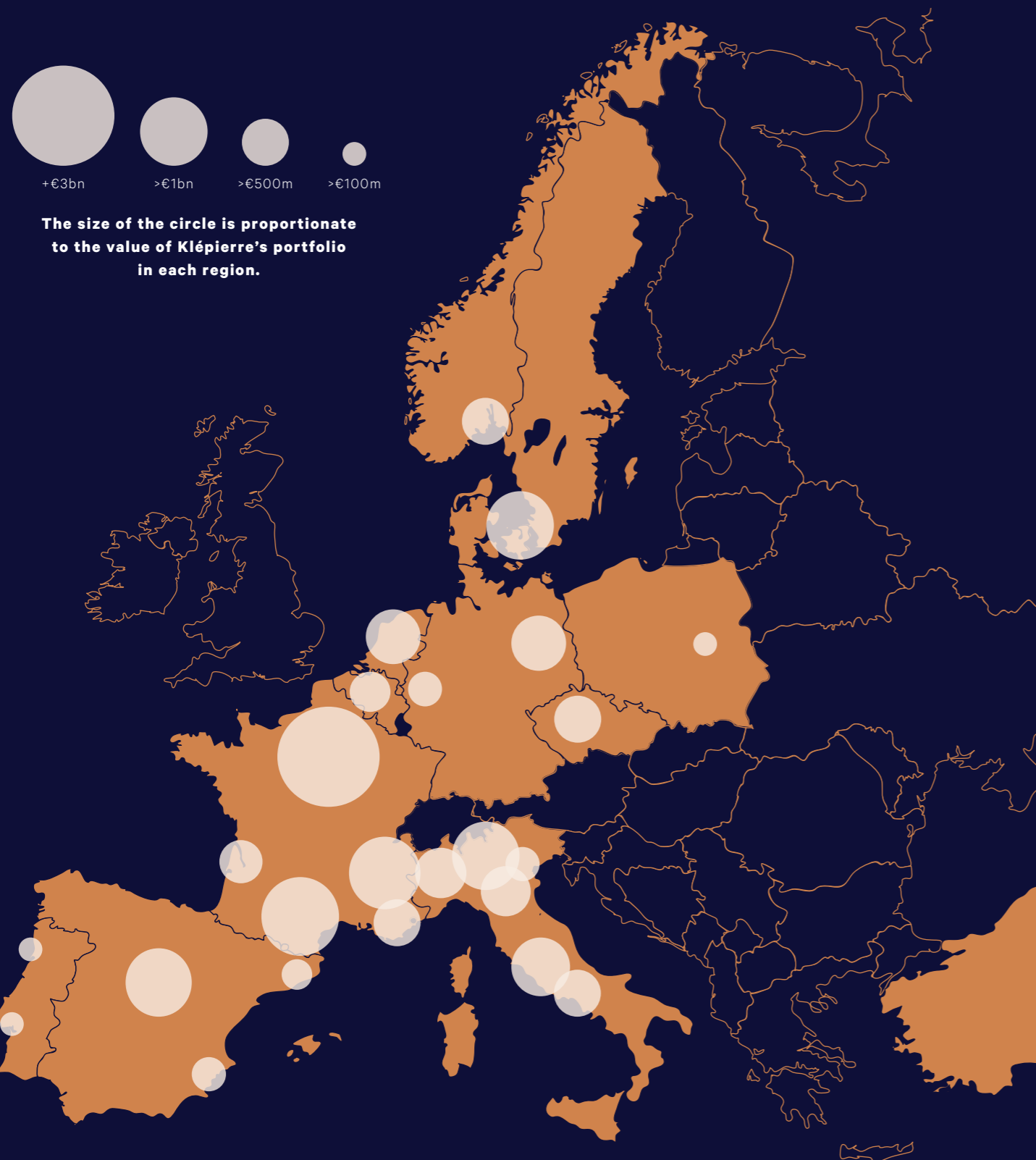


**JEAN-MARC JESTIN**  
CHAIRMAN OF THE EXECUTIVE BOARD

“Klépierre is the European leader in shopping malls, with a portfolio of more than 100 premium shopping centers that draw hundreds of millions of visitors each year...”

...in a fast changing environment, we provide retailers with an unrivaled platform to support them as they grow their business. To consumers, we offer a shopping experience that is both entertaining and fun. Our operational excellence and our development, lease management and asset management expertise are also informed by a deep commitment to sustainable development, which ensures that Klépierre makes a positive contribution to the environment, to its host communities and to people. Backed by our strategic refocusing on assets located in fast growing metropolitan areas and by our innovative vision for shopping centers, our initiatives are all designed to take physical retail to a whole new level.”

## KLÉPIERRE IN FIGURES



**100+**  
LEADING SHOPPING  
MALLS IN CONTINENTAL  
EUROPE

### KLÉPIERRE, THE EUROPEAN LEADER IN SHOPPING MALLS

€22Bn  
total portfolio value

€1.1Bn  
in revenue

11,200  
leases

3,800  
retailers

1,100  
employees

4.3M  
sq.m. rentable floor area

10+ COUNTRIES  
in continental Europe

HISTORY OF THE GROUP

Key dates  
in Klépierre's  
history



1990

Klépierre  
is created.

Merger with Compagnie Foncière.  
Portfolio value triples.

1998

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 (€425m).

2008

2008

Acquisition of Steen & Strøm,  
Scandinavia's leading shopping  
center property company (€2.7bn).

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

2012

2014

Disposal of 126 malls adjoining  
Carrefour hypermarkets (€2bn).

Merger with Corio in the Netherlands.  
The new Group's portfolio value increases  
from €14bn to more than €21bn.

2015

2019

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

BUSINESS ENVIRONMENT

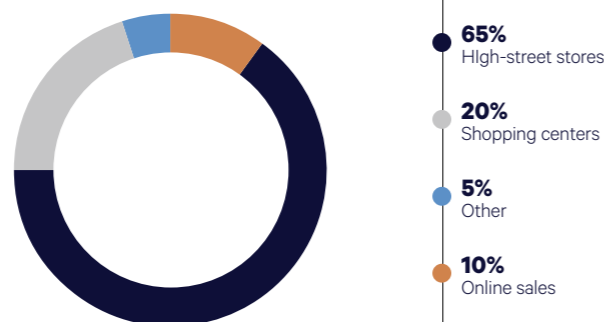
# Retail, a highly fragmented industry largely dominated by brick-and-mortar stores

The retail industry is largely dominated by physical stores, which account for 90% of retail sales in Europe, compared with 10% for online sales (chart #1). In a constantly shifting environment, online sales have risen sharply in Europe in recent years, by 10 to 15% depending on the country, with a penetration rate varying widely from one country to the next (chart #2). Nevertheless, Klépierre has successfully driven continuous growth in recent years. This performance has been led by the Group's strategic focus on the shopping center segment, whose strong consumer appeal and highly modular features make it the clear preference of major international retail chains when they decide to open new stores (chart #3). Today, Klépierre is one of only two shopping mall companies with critical mass in most European countries (chart #4).

## SEGMENTATION OF THE RETAIL INDUSTRY IN 2019

chart #1

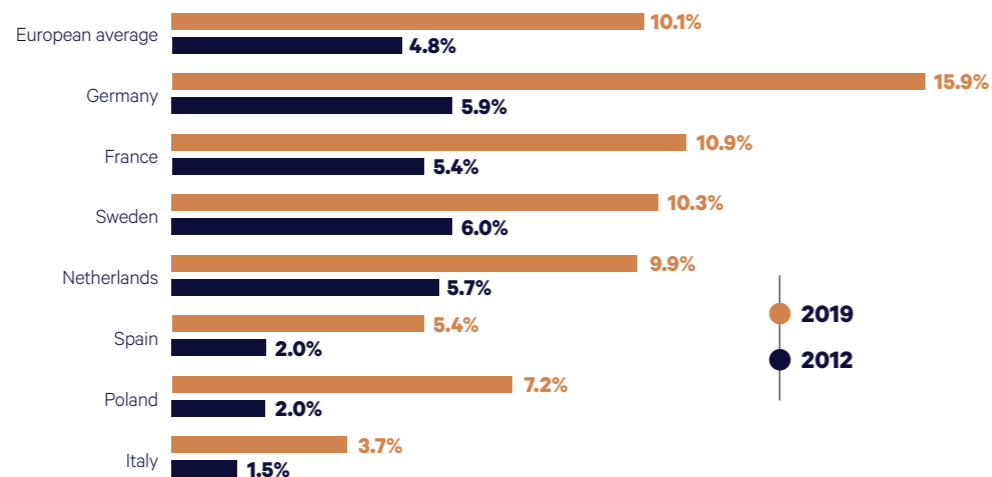
Source: PwC Strategy& study on shopping malls in Continental Europe; Klépierre estimates.



## PENETRATION RATE OF ONLINE SALES BY COUNTRY

chart #2

Source: Centre for Retail Research.



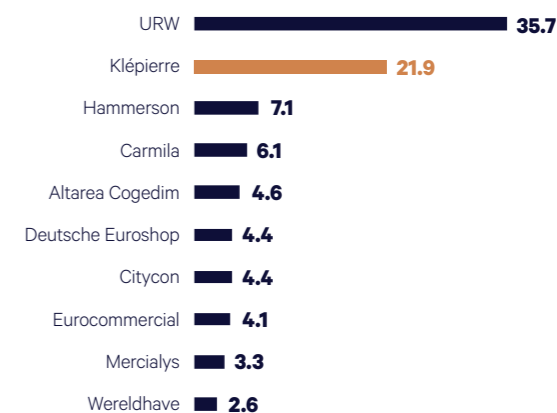
## THE COMPETITIVE ADVANTAGES OF SHOPPING MALLS

chart #3



## VALUE OF THE EUROPEAN RETAIL PROPERTY PORTFOLIO OF THE MAIN LISTED RETAIL REITS AT YEAR-END 2020

(in billions of euros, total share, including transfer taxes) chart #4



Source: Company disclosures. Proportionate European portfolio valuation for URW, Hammerson and Eurocommercial and Group share portfolio valuation for Carmila. Deutsche Euroshop, data as of September 30, 2020.



VISION

**SHOP. MEET. CONNECT.®**

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



“Shopping malls are open, living environments where all types of communities, both physical and digital, come together to meet and connect.”

**JEAN-MARC JESTIN**  
CHAIRMAN OF THE EXECUTIVE BOARD



**SHOP.**

Because Klépierre deeply believes that physical retail will continue to expand, led by an appealing and constantly refreshed offering.



**MEET.**

Because our centers are lifestyle environments where people meet and interact, and not just an e-tailer webpage. Customers come here to enjoy an experience full of excitement and fun.



**CONNECT.**

Because our shopping centers offer a unique service that blends the physical and the digital into a single universe. Connected to the city and its residents, they are seamlessly integrated into the omnichannel retailer platforms and offer visitors a array of digital services.

STRATEGY

# A vision and a strategy aligned with the changing world of retail

In recent years the Group has refocused its operations on destinations sought-after by retailers and on assets located in the most vibrant cities in Europe. Our unmatched operational expertise enables us to support customers as they grow their business and to regularly refresh the retail mix in our malls, which is a core driver of the promised visitor experience. This customer-centric approach is designed to make shopping fun and to offer shoppers unrivaled excitement and emotion. Lastly, being the European leader in shopping centers is both a source of pride and a great responsibility, which is why we are engaged in a multitude of daily initiatives that help to positively address today's environmental, societal and social challenges.



**CONTINUING TO INVEST IN PRE-EMINENT CENTERS IN THE HEART OF EUROPE'S LARGEST CITIES**

Over the years, the Group has developed a unique portfolio of leading shopping centers in the most affluent, densely populated and fastest growing catchment areas in Europe. Its selection of assets is also aligned with the positioning and expansion plans of the leading national and international retailer chains, giving it a decisive competitive advantage in responding to the retail transformation.



**REFRESHING THE RETAIL MIX AND SUPPORTING RETAILERS GROWTH**

Leveraging its operational expertise and special relationship with the world's leading retail chains, the Group is constantly improving the retail mix in its centers and agilely responding to retailers' business development needs by offering them opportunities to expand in their latest formats.



**OFFERING VISITORS THE FINEST CUSTOMER EXPERIENCE**

To enhance the shopping experience in its malls, Klépierre is strengthening its marketing initiatives and paying careful attention to each center's architecture and interior design. This approach is embodied by two concepts: Let's Play® and Clubstore®. In addition, to respond more effectively to environmental, societal and social challenges, in late 2017, Klépierre deployed the new Act for Good® CSR program, aimed at ensuring that its operations make a positive contribution in addressing today's pressing issues.



## A PORTFOLIO OF LEADING SHOPPING CENTERS IN THE MAJOR CONTINENTAL EUROPEAN CITIES

To integrate the phygital dimension into their value creation model, retail chains are deploying omnichannel strategies aimed at creating a symbiosis between their brick-and-mortar stores and their digital offering. As a result, retailers are becoming increasingly discerning in selecting their store locations. In recent years, Klépierre has kept pace this trend by refocusing on locations sought after by retailers in the most vibrant cities in continental Europe.



Val d'Europe  
Paris - France



Portfolio value is highly concentrated in the leading European cities

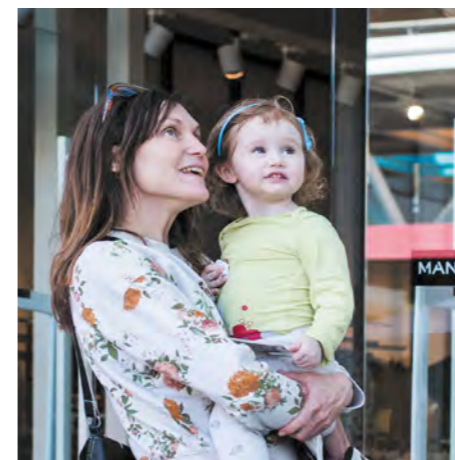
**42%**

OF OUR PORTFOLIO IS CONCENTRATED IN EUROPEAN CAPITAL CITIES

AND

**89%**

IN REGIONAL METROPOLITAN AREAS WITH MORE THAN 500,000 RESIDENTS



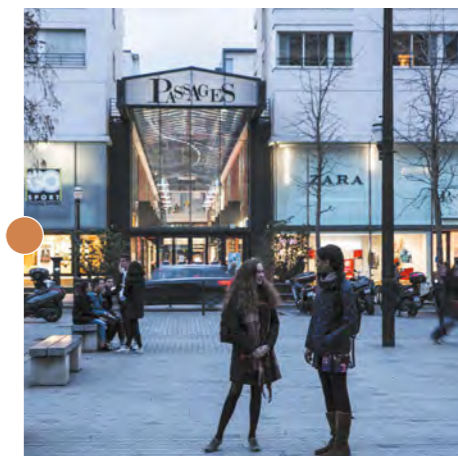
La Gavia  
Madrid  
Spain



Belle Epine  
Paris  
France



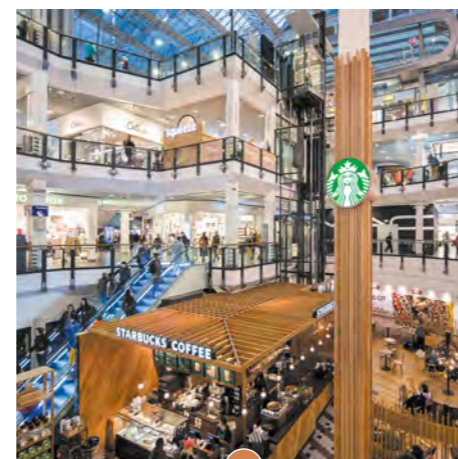
Les Passages  
Paris  
France



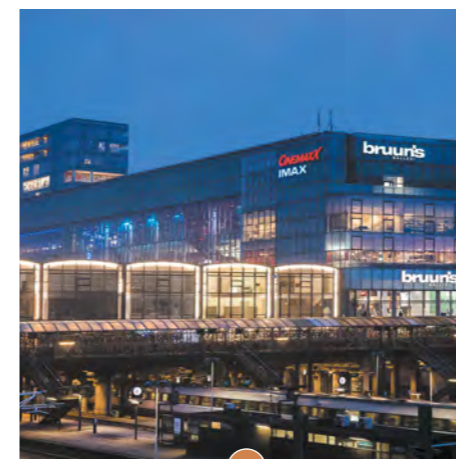
Field's  
Copenhagen - Denmark



L'Esplanade  
Louvain-La-Neuve - Belgium



Oslo City  
Oslo - Norway



Bruun's  
Aarhus - Denmark



Blagnac  
Toulouse - France



Odysseum  
Montpellier - France



Porta di Roma  
Rome – Italy



Saint-Lazare  
Paris – France



Campania  
Naples – Italy



Jaude  
Clermont-Ferrand – France



Nueva Condomina  
Murcia – Spain



Hoog Catharijne  
Utrecht – Netherlands

THE TOP 20 AND THE TOP 50 GROUP  
ASSETS REPRESENT

**50%**  
AND  
**79%**

OF TOTAL PORTFOLIO VALUE,  
RESPECTIVELY



Nový Smíchov  
Prague – Czech Republic



Rives d'Arcins  
Bordeaux – France



Shopville Le Gru  
Turin – Italy



Créteil Soleil  
Paris – France



Plenilunio  
Madrid – Spain



Emporia  
Malmö – Sweden

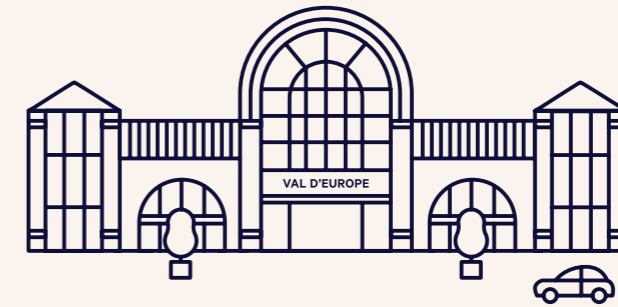
**A CENTER'S AVERAGE VALUE  
HAS TRIPLED SINCE 2012**

Since 2012, the Group has disposed of more than 100 assets, for total proceeds of €6.4 billion, and acquired/developed assets in an aggregate amount of €6.8 billion. These transactions have tripled the average value of a Klépierre shopping center.



# Typical Klépierre mall

Average key figures for Klépierre's top 50 assets representing 79% of total portfolio value.

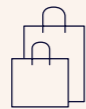


**12M<sup>(1)</sup>**  
VISITORS A YEAR

**€370M**  
AVERAGE VALUE

**13%<sup>(1)</sup>**  
OCCUPANCY COST RATIO

**144**  
STORES



**67,000 sq.m.**  
TOTAL SALES AREA



**89 kWh/sq.m.**  
ENERGY INTENSITY

**93%**  
OF WASTE RECOVERED AND REUSED

**90%**  
OF SERVICES SOURCED FROM LOCAL PROVIDERS

## Typical shopping center layout

(in % of total GLA)

**34%**

**FASHION**

**11%**

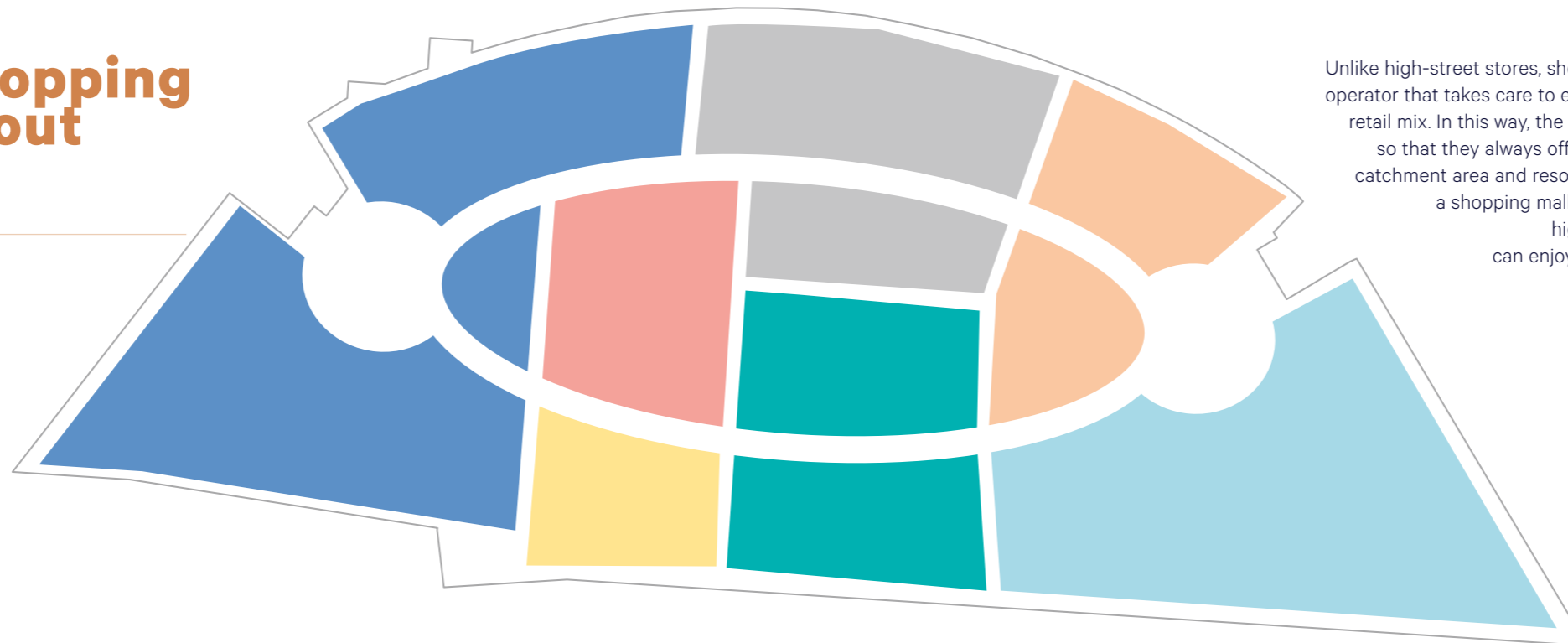
**HOUSEHOLD EQUIPMENT**  
Household products, DIY and gardening

**5%**

**HEALTH & BEAUTY**  
Perfumery & beauty, optics, pharmacy, hair & body, and medical centers

**12%**

**CULTURE, GIFTS & LEISURE**  
Sporting goods, toys & gifts, jewelry, telephony, cultural products and tobacco



Unlike high-street stores, shopping malls are managed by a single, specialized operator that takes care to ensure both the consistency and the variety of the retail mix. In this way, the Group designs and manages its shopping centers so that they always offer the right merchandise and experience for each catchment area and resonate with the latest shopping trends. At Klépierre, a shopping mall is not just about shopping; it is a comprehensive, high quality, experiential environment where people can enjoy dining, entertainment, self-care and even sports.

**9%**

**OTHER**  
Movie theaters, gyms, department stores and other

**8%**

**FOOD & BEVERAGE**

**21%**

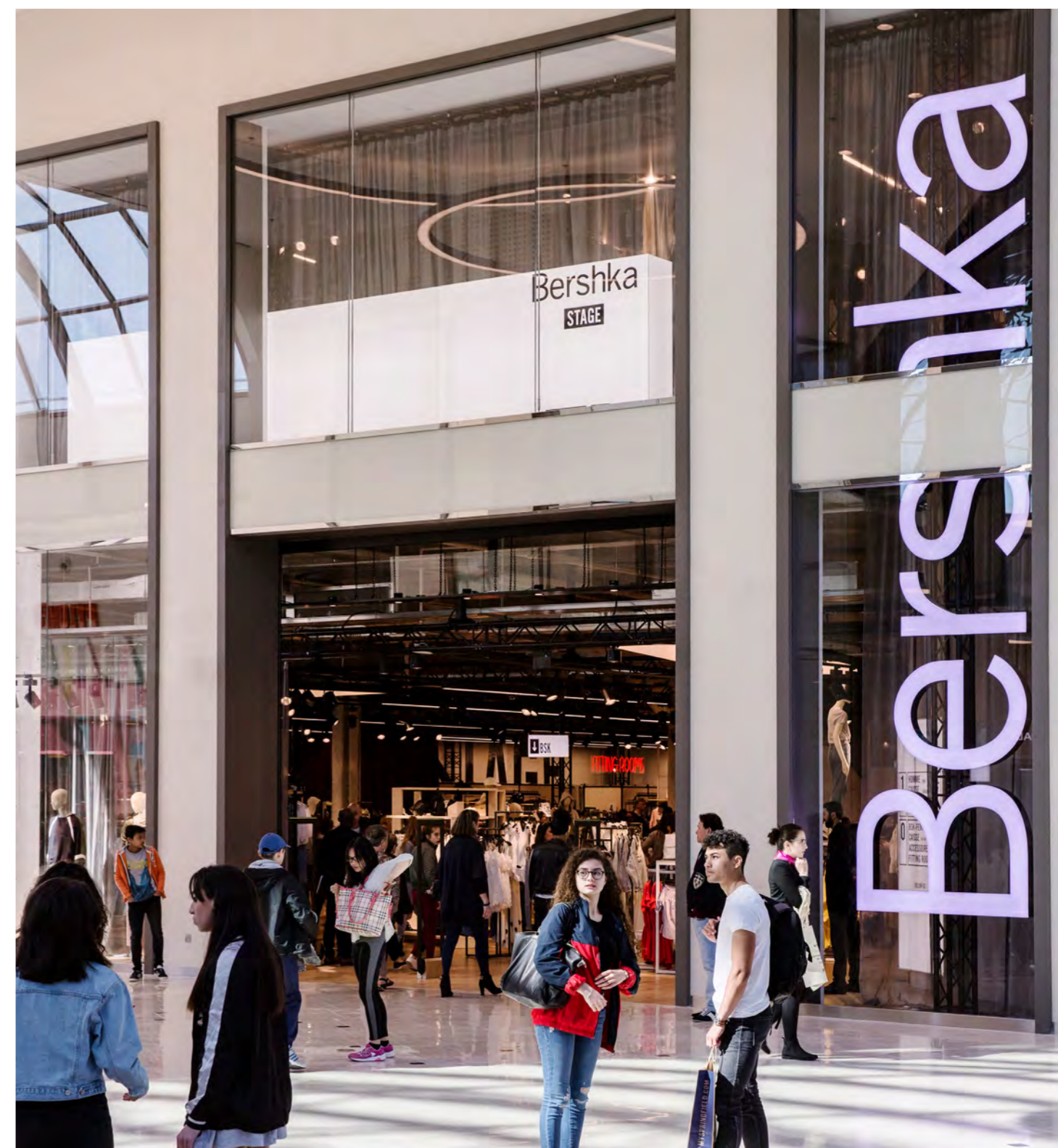
**HYPERMARKET/SUPERMARKET**

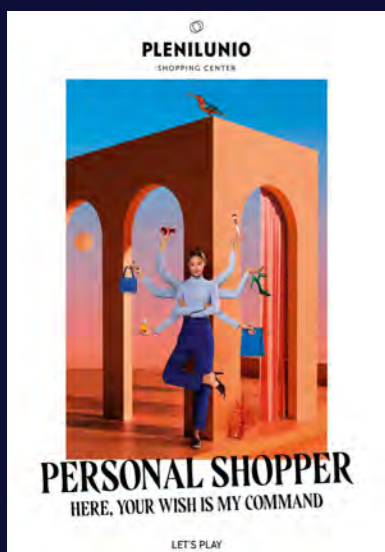
(1) Data as of December 31, 2019. As the 2020 data have been affected by numerous mall closures, they are not representative of Klépierre's typical assets.

# RETAIL FIRST® focus on the retail mix

To attract shoppers, a mall has to offer a comprehensive retail offering that resonates fully with their expectations. To do so, the Group leverages its unmatched platform of shopping centers and its close relationship and long-term partnerships with most of the leading international retail chains. From pop-ups to small boutiques to flagships, Klépierre supports retailers as they grow their business and offers them just the right size format for their positioning.

We also make sure our malls offer comprehensive, high-quality solutions for dining, with our Destination Food® concept, as well as for entertainment and self-care. The diversity of these opportunities and the emphasis on exclusive brands means that we can devise an entirely new kind of retail mix.





NEW LET'S PLAY®  
CAMPAIGN LAUNCHED  
IN 2020

## LET'S PLAY® the exciting side of physical shopping

For customers, a shopping center is more than a place to shop; it's a lifestyle environment where they can meet up, have fun and share great experiences with other people. Klépierre has responded to this expectation with Let's Play®, a marketing program designed to transform shopping into a game, as seen in our latest campaign.

This approach, which offers shoppers the enhanced emotional appeal and just plain fun that online shopping lacks, is structured around three core vectors: events, the phygital experience and social media.

KEY FIGURES FOR  
THE GROUP'S EVENTS  
BUSINESS

**15-20**  
EVENTS A YEAR  
IN EACH CENTER

**+15M**  
ADDITIONAL  
VISITORS ATTRACTED  
BY THE EVENTS

**100**  
LET'S PLAY®  
CENTERS



### EVENTS AND RETAILTAINMENT

Cultural exhibitions, concerts, sports competitions, blockbuster events by global entertainment giants (Nickelodeon, Marvel Disney etc.)



### PHYGITAL

Synergies between physical and digital retailing with promotional deals announced on social media, click & collect, information services, etc.



### SOCIAL MEDIA

Playful, immersive shopper activities to foster closer ties and create communities outside the shopping center.





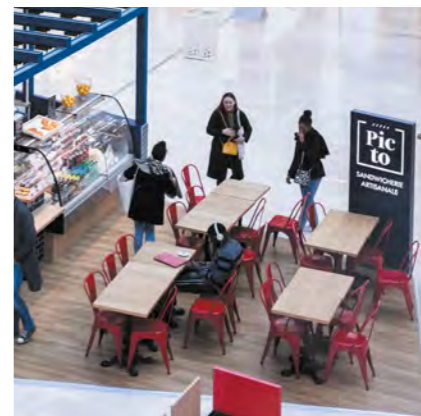
# CLUBSTORE® hospitality according to Klépierre

With its careful attention to detail and aim of making visitors feel welcome, Klépierre has designed a seamless, personalized, constantly enhanced customer journey.

The journey is built around 16 critical points in the customer experience, from digital access through websites and apps to center greeters, from amenities to ambient sounds and scents, from the parking lot to the storefronts. All of these aspects help to nurture an increasingly smooth, simple, personal experience in a shopping center whose architecture and interior design exude comfort and well-being.

This is how Clubstore® expresses hospitality according to Klépierre. Applied across the portfolio, these standards are constantly being enhanced by integrating best practices and the increasingly granular knowledge of our visitors derived from regular satisfaction surveys.

## CRITICAL POINTS ALONG THE SHOPPER'S JOURNEY THROUGH THE CENTERS



# ACT FOR GOOD®

Located in the heart of cities and communities, shopping centers should contribute to environmental stewardship, to the development of their host regions and to the well-being of their visitors and employees. This, in essence, is our approach to sustainable development.

Launched in 2017 and co-designed with external stakeholders, Act for Good® seeks to amplify operational excellence while addressing environmental, societal and social challenges. It is based on objectives for 2022 and ambitions for 2030, organized around three main pillars<sup>(1)</sup>:



(1) Our commitments for 2022 and outcomes in 2020 are described in detail in Chapter 5 "Sustainable development."

## LEADERSHIP WIDELY RECOGNIZED BY EXTERNAL STAKEHOLDERS

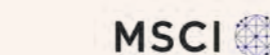
Klépierre is regularly honored by the leading non-financial rating agencies and international organizations for its non-financial commitments and outcomes.



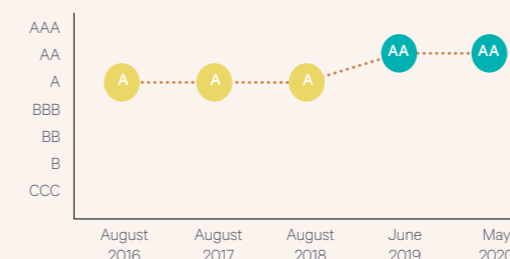
#1 EUROPE RETAIL LEADER  
#1 GLOBAL RETAIL LISTED LEADER  
#1 EUROPE LISTED LEADER  
FIVE-STAR RATING

CLIMATE CHANGE STRATEGY  
CERTIFIED WITH THE HIGHEST TARGET  
CLASSIFICATION (BELOW 1.5°C)

Klépierre is one of only seven retail REITs in Europe to have been approved at this level.



**RATED AA**  
For the second year



2020  
LEADERSHIP  
A List



2020 GOLD  
AWARD  
For the ninth straight year



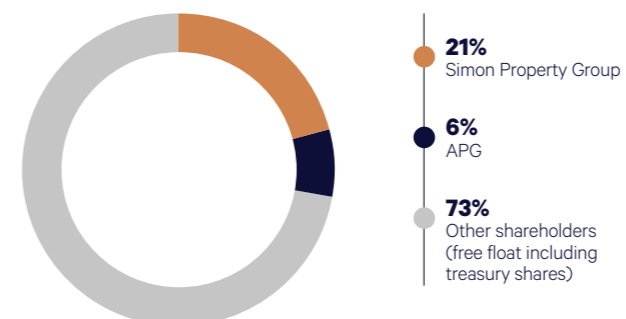
## FINANCIAL DISCIPLINE

# No long-term performance without financial discipline

We believe that long-term performance depends on the judicious use of financial leverage. This financial discipline is materialized in:

- our very robust financial indicators and BBB+ rating (stable outlook) from Standard & Poors (chart #2);
- our excellent access to debt markets and abundant liquidity, as demonstrated by the transactions completed in 2020 (chart #3); and
- our generally stable debt load in recent years, thanks to strong cash flow and regular asset disposals that have funded both dividend payments and capital expenditure (chart #4).

A REFERENCE SHAREHOLDER THAT IS THE GLOBAL LEADER IN THE SHOPPING CENTER INDUSTRY  
chart #1



MAIN FINANCIAL TRANSACTIONS IN 2020  
chart #3

February 2020

€600m in 9-year bonds bearing a 2.0% coupon

November 2020

€600m in 10.3-year bonds bearing a 0.875% coupon

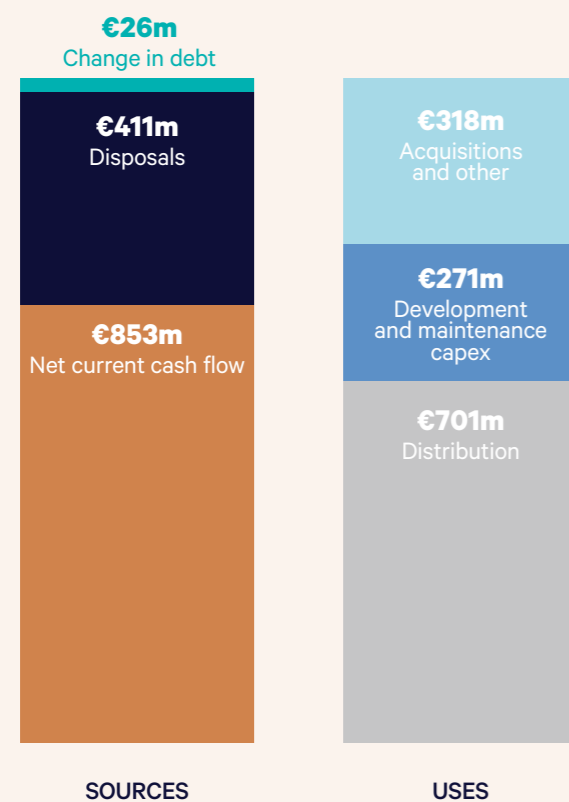
December 2020

€1.4bn revolving credit facility

May 2024

Refinancing covered until May 2024

SOURCES AND USES OF FUNDS: DEBT HAS REMAINED STABLE OVERALL  
chart #4 / average (2018-2020)



MAIN COVENANTS  
chart #2

LTV **41.4%**

INTEREST COVERAGE RATIO **7.3x**

NET DEBT TO EBITDA **10.8x**

S&P RATING **BBB+**  
(stable outlook)



# Business model

## TRENDS

Increasing investments in property

Shifting consumer practices, with the rise in online shopping, short channels and sustainable shopping

Increasingly competitive job market

Growing urbanization in Europe

Rising importance of environmental issues

## Resources

### FINANCIAL

- €21.9bn in assets
- €9.1bn in net debt
- €5.4bn in market capitalization

### BUSINESS AND CORPORATE

- 3,800 retailers

### HUMAN AND INTELLECTUAL

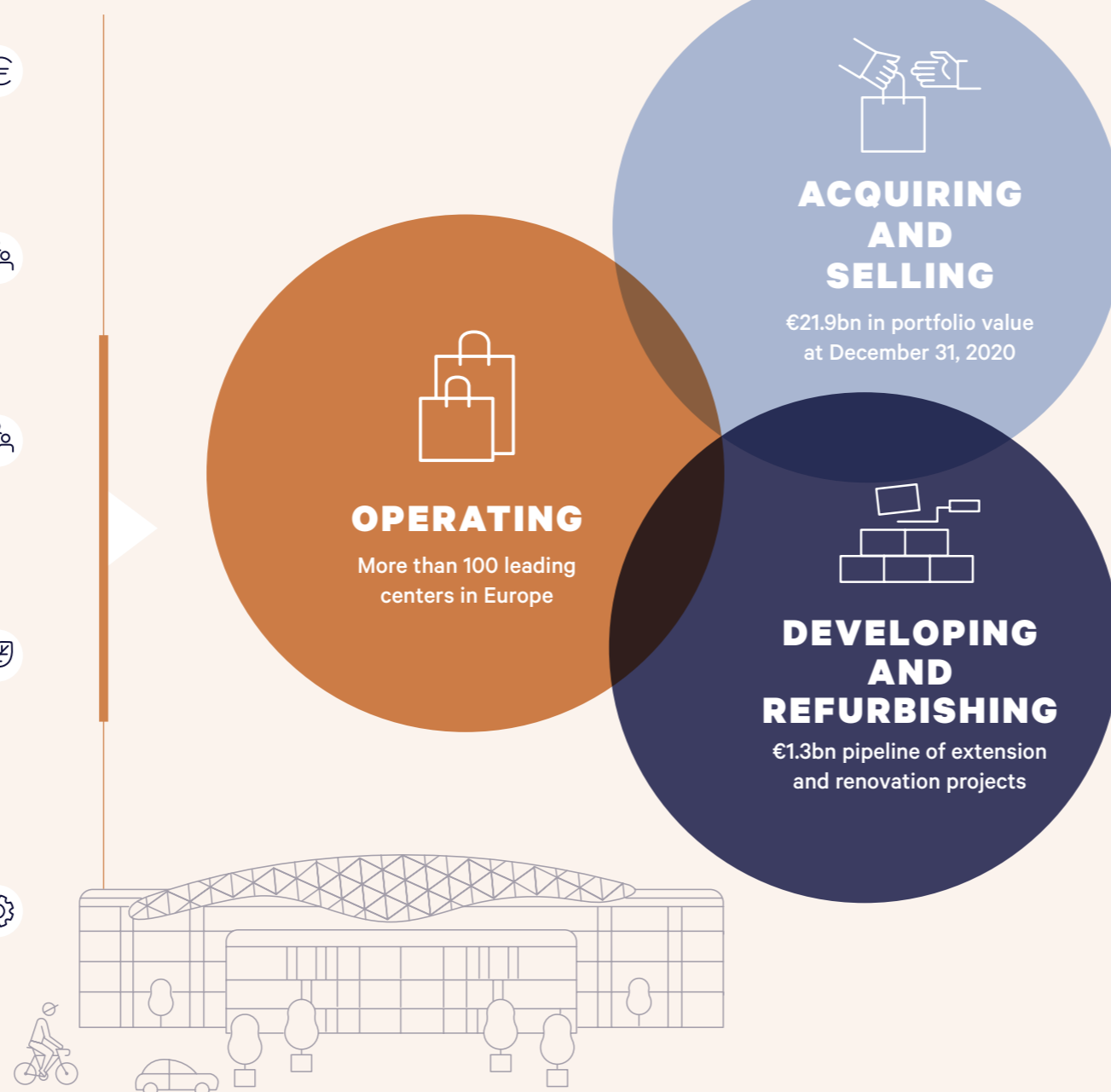
- 1,100 employees
- 40 proof of concepts

### NATURAL

- 324,139 MWh in annual energy use
- 2.9m cu.m. in water consumption
- 93% of electricity from renewable sources

### INFRASTRUCTURE & TECHNOLOGY

- 98% of assets accessible via public transport
- 10+ partnerships with start ups at Group level
- 190 TB of data (excluding backups)



## Value creation

### FINANCIAL

- €587m in net current cash flow
- €628m in dividends paid in respect of fiscal year 2019
- €127m in financial interests

### BUSINESS AND CORPORATE

- 951 new leases
- 95% of centers having contributed to local employment
- 98% of centers having donated space to a local initiative
- Net Promoter Score up 8 points versus 2017
- €91 million in local taxes

### HUMAN AND INTELLECTUAL

- 17% of employees promoted internally
- 100% of employees with access to training
- 100% of young graduates have been given the opportunity to receive personalized career guidance

### NATURAL

- 44% reduction in carbon intensity versus 2019
- 20% reduction in energy intensity
- 100% of shopping centers environmentally certified
- 96% of recovered waste



## Stakeholders



Visitors



Employees



Retailers



Suppliers



Investors



Local communities



Public organizations



KEY OUTCOMES

INCOME STATEMENT

	2016	2017	2018	2019	2020
Gross rental income (in millions of euros)	1,214.0	1,236.0	1,252.2	1,242.3	1,062.4
Net rental income (in millions of euros)	1,083.4	1,105.6	1,119.0	1,130.6	846.2
EBITDA (in millions of euros)	990.6	1,012.2	1,025.7	1,053.2	797.2
Cost of debt (in millions of euros)	(197.7)	(169.8)	(151.6)	(122.2)	(108.6)
Net current cash flow (Group share, in millions of euros)	721.1	760.6	793.7	830.3	586.9
Net current cash flow per share (in euros)	2.31	2.48	2.65	2.82	2.05
Dividend per share (in euros)	1.82	1.96	2.10	2.20	-(1)

OPERATING INDICATORS

Reversion	13.4%	12.9%	11.1%	8.2%	4.5%
Occupancy cost ratio	11.9%	12.2%	12.3%	12.4%	13.2%
EPRA vacancy rate	3.5%	3.2%	3.2%	3.0%	4.8%
Bad debt rate	1.6%	1.5%	1.7%	1.6%	16.0%
Change in retailer sales (like-for-like)	1.6%	2.1%	0.9%	1.8%	-11.0%

TOTAL PORTFOLIO VALUE

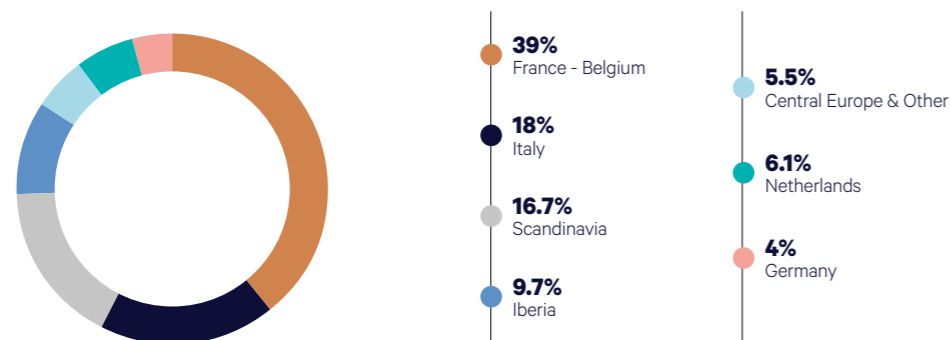
Portfolio (total share) (in million of euros, including transfer taxes)	23,416	24,419	24,440	23,673	21,859
EPRA net initial yield	4.9%	4.9%	4.9%	5.0%	5.3%
EPRA NAV per share (in euros)	36.70	39.60	40.50	39.50	33.90

FINANCIAL INDICATORS

Net debt (in millions of euros)	8,613.0	8,978.5	8,875.1	8,830.2	9,054.3
Cost of debt	2.1%	1.8%	1.6%	1.5%	1.2%
Interest coverage ratio	5.2x	6.3x	7.0x	8.0x	7.3x
Loan-to-value (LTV)	36.8%	36.8%	36.3%	37.3%	41.4%
Net debt to EBITDA	8.7x	8.6x	8.3x	8.0x	10.8x

PORTFOLIO VALUE BY COUNTRY

(in % of the total at December 31, 2020)



(1) The distribution will be decided in early May. For more information, see Chapter 3 "Business for the year".



ACT FOR THE PLANET

	2018	2019	2020
Reduction in energy consumption for common and serviced areas <sup>(2)</sup>	-17%	-29%	-43%
Percentage of electricity from renewable sources used in common and serviced areas	73%	93%	93%
Percentage of recovered waste	90%	93%	96%
Percentage of centers with a sustainable development certification (by value)	74%	100%	100%



ACT FOR TERRITORIES

Percentage of centers contributing to local employment (by value)	48%	85%	95%
Percentage of centers having made space available for a local initiative (by value)	76%	97%	98%
Percentage of centers that have supported a responsible initiative organized by a retailer in the center (by value)	53%	79%	98%

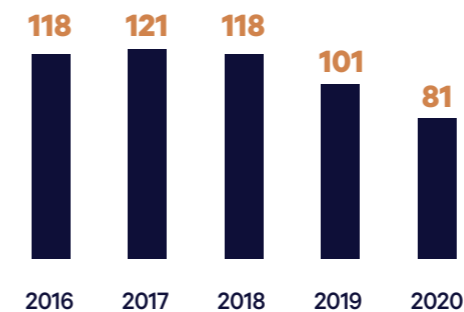


ACT FOR PEOPLE

Increase in the Group's Net Promoter Score (NPS) versus 2017	+ 2 pts	+ 10 pts	+ 8 pts
Percentage of employees attending at least one training session during the year	92%	98%	100%
Percentage of centers promoting health and well-being (by value)	56%	89%	99%

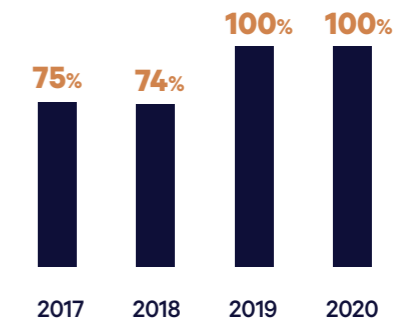
ENERGY INTENSITY IN COMMON AND SERVICED AREAS

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



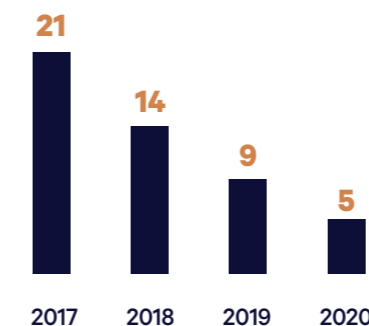
PERCENTAGE OF CENTERS WITH A SUSTAINABLE DEVELOPMENT CERTIFICATION

(in % of value, reported scope)



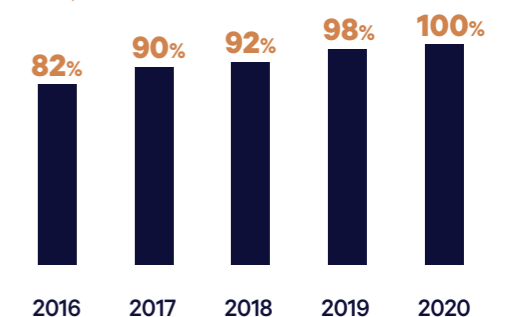
DIRECT GREENHOUSE GAS EMISSIONS

(Scopes 1 & 2) (in kgCO<sub>2</sub>/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 5 "Sustainable Development" below.

(2) Change versus the 2013 baseline.

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